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SERVING OUR COMMUNITIES BETTER

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Province of the
EASTERN CAPE
COOPERATIVE GOVERNANCE
& TRADITIONAL AFFAIRS

POLICY SPEECH 2025 - 2026



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EASTERN CAPE
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BUDGET VOTE 7

POLICY SPEECH

2025 - 2026

Date of Tabling: [April 2025]

Produced by:

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Department of Cooperative Governance and Traditional Affairs
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Honourable Speaker,
Deputy Speaker,
Chief Whip,
Honourable Premier of our Province,
Honourable Members of the Executive Council,
Honourable Members of the Legislature,
Chairperson of the Portfolio Committee for Cooperative
Governance and Traditional Affairs,
Permanent Delegates to the National Council of Provinces
(NCOP),
Esteemed Kings, Queens & Traditional Leaders,
Chairpersons of the Provincial House and Local Houses of
Traditional and Khoisan leaders,
Executive Mayors and Mayors of our municipalities,
Chairperson of the South African Local Government Association
(SALGA),
Leaders of Faith Based Organisations,
Distinguished guests,
Ladies and gentlemen,
Warm greetings,
Molweni, Good morning, Goeie more, Dumelang!!!

INTRODUCTORY REMARKS

Honourable Speaker, I am honoured and privileged to present the 2025/2026 Budget Policy Speech on behalf of the Department of Cooperative Governance and Traditional Affairs (DCoGTA). I wish to recognise members of the public who are following the proceedings through various broadcasting and social media platforms. The tabling of the 2025/26 Budget Vote 7 constitutes a transparent commitment to serve the public interest through hands-on support to municipalities and traditional leadership institutions.

As we move into the 2025/2026 period, we recognize the importance of transitioning from policy frameworks into tangible service delivery that directly impacts on the daily lives of our citizens. The lessons we have learnt during the transition year will guide us in creating a more responsive, effective, and accountable government. The experiences of collaboration across different political and social landscapes have strengthened our resolve to ensure that governance is inclusive, transparent, and equitable.

The primary goal of this new fiscal year is to build on the progress we made during the Transition Year- 2024/2025, particularly in areas such as local government revitalisation, capacity building, service delivery improvements, and community engagement. The commitments made in the Medium-Term Development Plan

(MTDP) will inform our policies and priorities, as we strive to meet the needs and aspirations of our people.

As we look ahead, we are poised to usher in a year of action, with renewed energy and purpose. It is not enough to simply have plans; we must ensure that such plans are executed efficiently and effectively, driving the change that our communities are eagerly waiting for. Our focus will remain on strengthening governance structures, fostering community participation, and ensuring that service delivery is not just a promise, but a reality.

The road ahead is filled with challenges, but it also offers with immense opportunities. We are committed to working hand-in-hand with local government, traditional leaders, and all stakeholders to ensure that no one is left behind. Together, we will build a stronger, more resilient Department, one that works for every citizen, and one that our children and grandchildren will be proud to call home.

BUILDING CAPABLE, ETHICAL AND DEVELOPMENTAL GOVERNMENT

Honourable Members, as we look towards the 2025/2026 outlook for the Department, our goal is to build a capable, ethical, developmental government that empowers local municipalities and Traditional and Khoi-San Leadership to better serve their communities. We will focus on strengthening institutional capacity at all levels, ensuring that municipalities are equipped with the necessary skills, resources, and support to deliver essential services effectively. By promoting ethical governance and accountability, we aim to root out corruption and enhance transparency in decision-making, ensuring that public funds are used efficiently for the benefit of the people.

Madam Speaker, a developmental approach will guide our work, ensuring that our policies foster sustainable growth, job creation, and social cohesion in the Province. Additionally, we will prioritize the empowerment of traditional leaders, to become active participants in governance and the development of their communities. As we move forward, our efforts will be grounded in the principles of inclusivity, responsiveness, and service excellence, working towards a prosperous and united Eastern Cape for all its citizens.

Honourable Speaker, as we progress in our journey under the 7th Administration, we have made significant strides to achieve our goal of building the Eastern Cape we envision. Some of the success stories include building a capable, ethical and development oriented Departmental workforce to drive good governance and, sound financial management. We are building a Team COGTA to be a cohort of public servants who are ethical, skilled and properly qualified. To this end, we commit to boost employee engagement to foster a positive organisational culture by keeping them informed and connected.

That connection in turn will lead to healthier, happier, and more productive employees. Experience, through my Meet and Greet Session empowered me with real-time insights into their needs, challenges, thus enhance trust, ensure alignment with organisational goals and promoted a greater sense of ownership among employees.

Their suggestions on the day are receiving management attention and will become a compass to guide the success of our department, going forward. Honourable members, in the end, we want COGTA to become an employer of choice wherein employees treat one another with dignity, humility, respect and serve our people with complete dedication guided by the Batho Pele Principles.

Honourable Members, as the national fiscus faces continued pressure, we are called upon to do more with less resources, necessitating greater efficiency and fiscal discipline. In light of this, we will diligently track our budget to achieve the minimum of 98% of our monthly and quarterly projections are achieved, striving to meet our commitment of spending 98%-100% of the annual allocation.

Aligned to the pledge, we will provide assurance on the effectiveness of our internal controls by conducting internal audits including monitoring the implementation of action plans on both Internal Audit and Auditor General (AG). This will be done to promote clean administration and ensure that the department maintains the positive audit outcomes. The Department will continue to monitor 100% submission of financial interest disclosures by all designated employee categories and ensure that consequence management is implemented in respect of non-compliance. Lifestyle Audit reviews will continue to be conducted to enhance ethical culture in the department.

POLICY OUTLOOK FOR 2025/2026

Madam Speaker, the 2025/2026 financial year represents the first chapter of our Province's commitment to advance the priorities outlined in the recently approved National Medium Term Development Plan (MTDP) 2024/2029 under the Government of National Unity (GNU). At the heart of achieving the goals of the MTDP is the drive to eradicate poverty, reduce inequality, and address unemployment, particularly considering the Province's rural character.

The recently approved Provincial Medium Term Development Plan (P-MTDP) 2024-2029 is a Five-Year Plan for the Province consisting of strategic priorities and targets to achieve the goals of Provincial Development Plan (PDP) with the implementation of the Provincial Program of Action (POA) measured through the Apex Indicators. In addition, the P-MTDP 2025-2030 allows for the coordination and alignment of priorities of government across all the spheres of government and beyond government, aligning with the District Development Model (DDM). The MTDP has incorporated recommendations from both the 30-year and 5-year reviews of government, as well as the insights from the Eastern Cape Scenarios 2040, to guide our efforts moving forward.

PUTTING PEOPLE AND THEIR CONCERNS FIRST

The "Putting People and Their Concerns First" pillar is focused on ensuring that all government actions, policies, and service delivery efforts prioritize the needs and voices of the citizens. This approach is grounded in the principle that government exists to serve its people, and every decision made should aim to improve their well-being, address their concerns, and enhance their quality of life.



PUTTING PEOPLE AND THEIR CONCERNS FIRST

2026 Local Government Elections

Honourable Members, we are the government of the people, for the people and by the people, hence we must at all material times strive to put their interest and concerns first as we discharge our responsibilities as public representatives. The 2026 Local Government Elections (LGE) are fast approaching, and the voters have matured in relation to which party to vote for. We have observed that in the 2021 LGE and the 2024 National General Elections (NGE) communities used the period to voice their frustrations through service delivery protest.

Madam Speaker, the department will continue to enhance the support to municipalities to deliver quality basic services to minimize service delivery protests prior and during elections. The department will further coordinate support from all sector departments in an effort to assist the Independent Electoral Commission (IEC) to deliver free and fair elections.

The department has established a Provincial Elections Task Team (PETT) that comprises of municipalities, sector departments, state owned entities and other stakeholders. This task team will be in operation until post the election period.

In this context, the local government sphere is confronted with a myriad of challenges which demand collective and focused support from all role players. These challenges include the following:

- Instability which leads to non-delivery of services and rendering municipalities to be in a chaotic state.
- Unprofessional and unethical practices that manifest themselves in different forms, with non-performance and compromised service delivery being the common outcome.
- Non- implementation of Credit-Control Policies and weak innovative strategies to increase revenue.
- Weak Supply Chain Management practices, and
- Poor project planning and poor research-based project identification.

In this regard, we have a responsibility to promote cooperative governance by empowering Municipalities, Traditional and Khoi-San Leadership Institutions through capacity building, collaboration, and sustainable practices, towards responsive, inclusive and accountable service delivery that meets the needs of our communities.

Demarcation

Honourable Members, the department will, in the next few months, continue to support the work of the Municipal Demarcation Board (MDB) work during its public consultation process of Ward delimitation and will do awareness programmes for maximum community engagement and ownership of final Wards. We have recently also made our input on the Independent Municipal Demarcation Authorities Bill to the Provincial Local Government Portfolio Committee in the Legislature.

Reconstitution of Traditional Councils

Madam Speaker, with the reconstitution of the Traditional Councils (TC) now complete, we will proceed with the swearing-in of new members, followed by the implementation of the Induction Program.

Once these programs are completed, We will provide ongoing support to the TC, including quarterly sittings with an allocated budget of **R1 million**. Additionally, in collaboration with the Premier's Office, the department will oversee the establishment of the Kings' Councils in accordance with legislative requirements.

Significant progress has been made to support the operations of the Local Houses of Traditional Leaders (LHTL). This year, we are allocating R6 million to enhance the functioning of the Houses and

to further strengthen their role in overseeing the Customary male initiation process.

The appointment of support staff for the Local Houses will be completed by the end of the 2025/26 financial year.

Honourable Members, we are in the process of sourcing additional capacity to manage infrastructure renovations and new construction work in Palaces and TC. The additional capacity will be in the form of built environment service providers who will assist in assessing and costing disasters, new construction, renovation and maintenance needs of the communities and Traditional Institutions

The Department will source additional capacity by procuring in house built environment service providers who will assist the Department in infrastructure and disaster project management. The aMaMpondomse Palace project will be subjected to a re-design and costing by the envisaged new service providers.

Madam Speaker, in the financial year 2024/25 we pronounced the construction of a new palace for aMaMpondomse Palace. The preliminary designs and costs have revealed that the amounts required towards completion of the palace are higher than anticipated.

We will undertake major renovations at Nyandeni, Qamata, Bumbane and Mngqesha Palaces. Additional work will also be done at Dabi, aMaGasela, Imidushane, aMantinde, aMahleke, aMaZibula and aMahlubi TC. A total budget allocation of **R2m** has been made available for this work. New construction work has commenced at Mvumelwano TC to reach practical completion stage by the end of the financial year 2025/26. A contractor was awarded for the construction of Mqhekezweni TC but regrettably the contractor abandoned the site. Imingcangathelo and Amazizi TC are at an advanced procurement of construction stage. A total budget allocation of **R6.7m** has been made available for this work.



Women, Youth and Persons with Disabilities

To foster the inclusion of women, youth, and persons with disabilities in the development of rural communities, We will assist TCs to form Gender, Youth, and People with Disabilities (GEYODI)-responsive partnerships with various organizations, including state departments, municipalities, and non-governmental organizations (NGOs). These partnerships will play a key role to address the socio-economic challenges faced by traditional communities.

The partnerships established will focus on critical areas such as community awareness on food security, Gender-Based Violence and Femicide (GBVF), crime prevention, youth development, consumer rights, and more. Additionally, we will provide support to the Councils to develop GEYODI-responsive development plans that address the needs of their communities.

Honourable Members, the Department will continue to advance the mainstreaming of designated groups by institutionalizing and localizing government policy directives for women, youth, and persons with disabilities. This will be in alignment with key frameworks such as the National Strategic Plan (NSP) on GBVF, the Gender-Responsive Planning, Budgeting, Monitoring, Evaluation, and Auditing Framework (GRPBMEAF), the National Youth Policy, and the White Paper on the Rights of Persons with

Disabilities. These policies will be implemented across the Department, municipalities, and traditional leadership institutions to for inclusive development.

Madam Speaker, persons with disabilities remain significantly marginalized within our society and government service delivery, highlighting the need for focused attention on their inclusion across the broader socio-economic spectrum. The Department will raise awareness on GEYODI mainstreaming, conduct communication campaigns on gender and disability terminology, introduce a disability disclosure form, and facilitate the disclosure of disabilities by officials in both the Department and municipalities.

With respect to the implementation of the National Youth Policy, we will support eight (8) municipalities that is Joe Gqabi DM, Senqu, Ndlambe, Blue Crane Route, Matatiele, Umzimvubu, Kouga and Koukamma.

Madam Speaker, the House of Traditional and Khoisan Leaders (HTKL) remains troubled by the spiralling criminal activities and GBVF in rural areas. To respond to this, traditional leaders are embarking on a programme to mobilise communities against crime, GBVF through working collaboratively with various stakeholders to bring stability in their communities.



Customary Male Initiation Practice

Madam Speaker, the practice of customary male initiation remains a deeply rooted cultural tradition in our Province, but it is imperative that we address the grave concerns surrounding the deaths and injuries of initiates. Despite the concerted efforts to curb the challenges, parents are found to be the main contributors by failing to adhere to the safe customary male initiation protocols resulting to dehydration and septicaemia becoming the main causes of deaths and injuries of initiates. These conditions are not supposed to be causing deaths of initiates if the parents were playing their role in the practice.

As we move towards the 2025/2026 period, the Department is committed to implement robust mechanisms to safeguard the lives of initiates. This includes strengthening regulatory oversight, improving training and certification for initiation school

practitioners, and enhance community awareness campaigns on the importance of safe practices. We will also collaborate with health and law enforcement agencies to ensure that medical support is readily available and that proper safety protocols are followed. By working closely with traditional leaders, communities, and relevant stakeholders, we aim to preserve the cultural significance of initiation while prioritizing the safety and well-being of our youth.

In 2024, for both the winter and summer seasons we registered sixty thousand two hundred and twenty-nine (60 229) initiates and out of that, we lost forty-three (43) souls to the custom. Indeed, it is saddening to continuously report about the deaths of initiates. The most gruesome to the casualties of customary male initiation are the victims of penile amputation. We will embark on a drive to track and trace the victims with the sole purpose of putting them in the Penile Rehabilitation Programme (PRP). The Urology Unit at Nelson Mandela Academic Hospital has expertise in the field of penile rehabilitation.

As we gather in this esteemed House, Madam Speaker, allow me to remind all present that our Province is mourning the tragic and unnecessary loss of twenty-nine (29) young children during the summer season of *Ulwaluko*.

DELIVERING BASIC SERVICES

The "Delivering Basic Services" pillar is focused on ensuring that all citizens have access to essential services that support their well-being and enable them to thrive. This pillar aims to address the fundamental needs of communities, improve quality of life, and ensure that no one is left behind.



DELIVERING BASIC SERVICES

Madam Speaker, in the 2024/25 policy speech I pronounced on the intensification of the Risk Adjusted Strategy (RAS) to sustain the good performance of 2023/24 financial year, I can reflect that all 36 municipalities, excluding the BCM, NMB and Sarah Baartman District, participated in the RAS as an intervention programme.

In 2024/25, the Province sustained the performance on Municipal Infrastructure Grant (MIG) and Integrated National Electrification Programme (INEP) Grant with overall spending of 58% and 64% respectively by mid-year (December 2024). Both MIG and INEP were not subjected to the Division of Revenue Act's (DORA) section 18 (Stopping of funds) and could be beneficiaries to the DORA's S19 Reallocation due to good performance.

Honourable Members, in the 2025/26 financial year, the Department will strengthen the Rural Access Roads (RAR) program by consolidating seven Intervention Support Programmes, including RAS-Operation and Maintenance (O&M). In addition, we will introduce the RAS Non-Negotiables Standard Operating Procedure (SOP) to provide clear guidance to municipalities in the effective rollout of infrastructure service. We are today also unveiling an internally developed Non-Negotiables Booklet on SOPs for Eastern Cape Municipalities. These SOP's will focus on

creating a streamlined, efficient and transparent institutional system for providing services such as water, electricity, infrastructure, healthcare, and waste management to all our communities with an emphasis on compliance, accountability and responsiveness.

It is pleasing to state that all 36 municipalities excluding the 2 Metros and Sarah Baartman District will now participate in the RAS Intervention programme. An amount of **R1 261 226.00** has been set aside to conduct site visits and technical support to the 36 targeted municipalities. It is important to note that the Department has received **R2 million** from Provincial Treasury, which will be allocated towards developing an infrastructure project monitoring system. This system will be aligned with the Infrastructure Delivery Management System (IDMS) to effectively monitor the entire value chain of infrastructure project implementation by municipalities.

Dysfunctional and Amalgamated Municipalities

Madam Speaker, to intensify the operational implementation of the Municipal Support & Intervention Framework (MSIF), DCoG has since communicated a list of seven (07) dysfunctional municipalities based on the assessment conducted in 2023. DCoG has since communicated the report to Provinces and MSIPs for the

newly categorised municipalities to be developed and consulted in the start of the 25/26 financial year.

We will continue to support the dysfunctional municipalities through active participation in the steering committees that monitor the Financial Recovery Plans (FRPs). Here, hands on work will be provided in matters related to reviewal of organograms that are bloated to reduce budget on cost of employment. The benefit of giving support in this regard is that the Equitable share would be used for other operational matters that are service delivery related. Support will also be provided across all other functional areas with a goal of improving service delivery and identifying other potential sources of revenue.

Automated Project Monitoring & Evaluation System

The department intends to procure an automated M&E system to be plotted in all municipal projects that are implemented through the various government grants. This will assist in monitoring progress in their implementation to easily track challenges that might be experienced for purposes of speeding their completion. It must be noted though that the department doesn't have budget for this, but the intention is to lobby for funding and identify funds internally that could be available as the year progresses.

Free Basic Services (FBS)

Honourable Members, in 2024/2025, we pronounced that we would assist municipalities in improving the rolling out of FBS to indigent households and ensure that systems are in place for monitoring the implementation of the programme. Interventions to be made to 38 municipalities except for Sarah Baartman District include the following;

- Memorandum of Understanding (MoU) between Cogta and Statistics South Africa to find mechanisms of assisting municipalities to develop credible Indigent Registers (IR) is still in progress.
- Partnership between COGTA and Eastern Cape Socio Economic Consultative Council (ECSECC) to find areas of collaboration to assist municipalities for better management of their IR is still continuous.

In 2025/2026, the department in collaboration with ECSECC and Statistics South Africa will make a radical approach in the cleansing of IR of 38 municipalities using a Data Management System to ensure that these services are predominantly accessed by deserving indigent beneficiaries.

Spatial Planning and Land Use Management

Madam Speaker, overall, fourteen (14) municipalities thus far have been supported to implement Spatial Planning and Land Use Management Act (SPLUMA) namely, Blue Crane Route, Dr A.B Xuma, Walter Sisulu, Dr Beyers Naude, Kumkani Mhlontlo, Ntabankulu, Nelson Mandela Bay, Raymond Mhlaba, Sundays River Valley, Sakhisizwe, Senqu, Amahlathi, Alfred Nzo and Ndlambe.

Municipalities such as Ingquza Hill, Emalahleni and Ntabankulu were provided with up-to-date Spatial data. Equally, we successfully implemented ESRI Geographical Information System (GIS) Professional Software in Emalahleni and Inxuba Yethemba municipalities.

The following municipalities, Winnie Madikizela Mandela, Chris Hani, OR Tambo now have GIS policies and strategies through the technical support that was provided. Winnie Madikizela Mandela, PSJ and Ingquza Hill municipalities will be implementing the digital land development application system (National Spatial Planning Data Repository) funded by the Department of Agriculture.

Our department also successfully assisted Dr Beyers Naude and Inxuba Yethemba municipalities on updating the Land Use

Management Scheme (LUMS) GIS layer as well as training on Quantum GIS.

We will provide continued support to seventeen (17) municipalities to implement SPLUMA, namely, Great Kei, Sarah Baartman, Port St Johns, Umzimvubu, Raymond Mhlaba, Nelson Mandela Bay, KSD, Winnie Madikizela- Mandela, Intsika Yethu, Mquma, Dr Beyers Naude, Elundini, Emalahleni, Ngqushwa, Kouga, Joe Gqabi and Ingquza Hill. An amount of **R2 300 000** is set aside for the review of the Provincial Spatial Development Framework (PSDF) which will be finalized during the 2025/26 financial year.

Madam Speaker, **R201 149.00** has been set aside in the financial year 2025/26, to monitor, provide guidance and support municipalities to administer land use management in the implementation of SPLUMA, through the establishment of structures that consider and approve land use applications to accelerate development and enhance revenue generation. The following municipalities will benefit, Mquma, PSJ, Kouga, Dr AB Xuma, Inxuba Yethemba, Raymond Mhlaba, Ingquza Hill, NMBM, Enoch Mgijima, Intsika Yethu, Mbashe, Mhlontlo, Dr Beyers Naude, Emalahleni, Sakhizwe, BCMM, Nyandeni, Blue Crane and Chris Hani.

Thirty-one (31) municipalities have published and Gazetted the property rates tariffs on the Provincial Gazette to avoid litigations and disputes from the ratepayers.

All municipalities in the province have valid and credible General Valuation Rolls (GVR), which is the basis to levying property rates. The Departmental Valuers have been appointed into the different Project Steering Committees for the GVRs to support 16 municipalities to ensure the implementation of the Local Government Municipal Property Rates Act, 2024 (MPRA). These municipalities are, BCM, NMBM, Mbhashe, Amahlathi, PSJ, Matatiele, Winnie Madikizela, Dr Beyers Naude, Sakhisizwe, Sundays River Valley, Elundini, Inxuba Yethemba, Umzimvubu, KSD, Ingquza Hill, and Enoch Mgijima.

Honourable Members, empowered by the Land Survey Act 8 of 1997 between 2019-2025 financial years we advocated for a performance indicator that supports District Municipalities to conduct Cadastral Surveys for access to land rights. During the financial year 2024-2025, the department supported municipalities with in-house survey of land boundaries for various properties to resolve boundary disputes, undertake encroachment studies, guide infrastructure development and dispose land parcels. Our intervention and support have strengthened property rights and security of tenure, as well as restored the integrity of land

boundaries to advance orderly land development. In the effort of ensuring that municipalities have functional integrated GIS, support will be provided to twelve (12) municipalities.

We will provide technical support to Joe Gqabi, Sarah Baartman and Amathole districts during the financial year 2025-2026. The following Local Municipalities: Dr Beyers Naude, Kouga, Ngqushwa, Mnquma, Mbashe, Elundini, and Senqu will be supported with in-house survey of land boundaries for various needs and matters. The budget amount is **R316 577**.

Local Economic Development

Honourable Speaker, In the 2024/25 financial year, through the Local Economic Development (LED) programme, hands-on support was provided to 12 municipalities. As a result, several municipalities completed their LED strategies, with others in the process of adoption. In partnership with the South African Local Government Association (SALGA) and the National Department of COGTA, a LED capacity-building program was developed to enhance municipal planning and implementation.

This led to capacity-building workshops for six district municipalities on facilitating and documenting LED strategies. Additionally, COGTA piloted an SMME database in Enoch

Mgijima LM, which has since expanded to cover the rest of the municipality and is being updated quarterly.

Honourable Members, in 2025/2026 financial year, the department will support municipalities to implement LED projects in line with the adopted LED strategies by coordinating resources from other strategic partners including the Development Finance Institutions.

The department in collaboration with the University of Fort Hare shall finalise the research on the efficacy of Local Economic Development Agencies (LEDAs) and coordinate the implementation of findings towards an improved LEDAs contribution within local economies.

The department will further support district municipalities to convene LED Forums to harness the views of the private sector and other social partners towards a coherent and effective local economic development trajectory.

Thirty-six thousand one hundred and seventy (**36 170**) public employment job opportunities shall be created through Community Work Programme (CWP) and Expanded Public Works Programme

(EPWP) in thirty-one (31) local municipalities and the two (2) Metros with an **R2.492 million** EPWP conditional grant allocation as well as CWP funds held by National COGTA.

Madam Speaker, the programme has a current participation rate of 39 391, however there is gradual offloading of participants due to financial constraints. CWP participants were provided for all targeted small towns to provide cleaning and beautification support. The Department of Agriculture, allocated funding for the development of Mhlontlo LUMS. The South African National Road Agency Limited (SANRAL) developed pre-designs for Qumbu by-pass to address traffic congestion in Qumbu Town. The Qumbu/Tsolo and Maluti/Cedarville Precinct Plans have been developed and engaged with stakeholders in Matatiele and Kumkani Mhlontlo LMs

We also commit to support municipalities to develop and implement strategies for red tape reduction to improve the business operating environment. In partnership with National COGTA we will aid Alfred Nzo, Joe Gqabi, Sarah Baartman, AB Xuma, and Makana municipalities to review and develop LED Strategies. We will monitor the implementation of the Standard Draft Bylaw on Town, Village and Rural Economies as well as the SOP for Non-negotiables on business regulation.

The Department is continuing to support small towns like Port St Johns, Maluti, Port Alfred, Stutterheim, Engcobo, Mt Fletcher, and Qumbu through the implementation of cleaning, repairs, and maintenance of infrastructure. We shall support Matatiele and Mhlontlo Local Municipalities to develop Master and Precinct Plans for Maluti-Cedarville as well as Tsolo–Qumbu, respectively.

The department will coordinate public sector partners towards the implementation of the small-town master plans that were developed for Port Alfred, Stutterheim, Qumbu, Tsolo and Maluti Matatiele towns. The implementation of the master plans will improve efficiencies for the towns to retain businesses as well as attract new ones.

Madam Speaker, in terms of the Spaza Shop registration process, the department will continue to coordinate municipalities to monitor, regulate as well as facilitate support to enable effective operation of spaza shops and food trading facilities. This is done to put order to trading practices within municipalities. The Department will ensure that 60% procurement is sourced within the Province.

Disaster and Fire Rescue Services

Honourable Members, the department committed to improve the fire and rescue services capability to have safer, more resilient communities and proper disaster management.

The department continued to institutionalize the Disaster Management Programme in the Province to prevent and mitigate disasters, enhance preparedness and capability to respond to disasters through the following interventions.

- Monitoring the utilisation of the approved provincial disaster risk assessment.
- Developed a draft Service Level Agreement (SLA) with South African National Space Agency (SANSA) for flood mapping through satellite imagery across the province.
- Developing a level one Provincial Disaster Management Plan and supporting sector departments to develop level one sector disaster management plans.
- Purchased two (2) commercial drones to assist with damage assessment, risk mapping and profiling amongst other things. The training of pilots was conducted and the Remote Aircraft Operating Certificate (ROC) application process for the department is near completion

The department is also involved in monitoring the implementation of the National Fire Safety and Prevention Strategy (NFSPS) in BCM, NMBM, ADM, Amahlathi and Makana municipalities.

Honourable Members, the department has set aside **R2 million** for purchasing of a disaster relief truck to assist with delivering relief material to disaster affected communities, as well as **R2 million** for a snow moving/clearing vehicle to support municipalities. This forms part of resourcing Provincial Disaster Management Centre (PDMC). Part of resourcing includes a panel of service providers already appointed by the department to provide disaster relief material when a disaster incident occurs.

We will continue to enhance the development of the Disaster Management Integrated Information System (DMIIS).

Integrated Development Planning (IDPs)

Madam Speaker, the department supported all 39 municipalities to develop legally compliant IDPs through various platforms. i.e. IDP/PMS Steering Committee, IDP Representative Forum, and the Annual assessment of all 39 IDPs.

The Department will render support to municipalities concerning the development of legally compliant IDPs, intensive efforts will be applied to the alignment of IDPs and DDM One Plans. The Department will also roll out a programme of development of Ward Based Plans targeting the distressed municipalities. A budget of **R300 000.00** has been allocated for these activities.

STRENGTHENING GOOD GOVERNANCE

The "Strengthening Good Governance" pillar focuses on fostering transparency, accountability, and integrity within all levels of government. It is about ensuring that public institutions are efficient, responsive, and truly serve the needs of the people. This pillar emphasizes the importance of ethical leadership, robust oversight mechanisms, and public participation in decision-making processes



King Protea National flower of South Africa. Adapts and flourishes in harsh environments. Its not the environment that defines you. You define the environment. Be visionary.

STRENGTHENING GOOD GOVERNANCE

Honourable Speaker, the Department is committed to maintaining an effective and efficient Risk Management System (RMS). We are supported by an independent Risk Management Committee (RMC), chaired by a dedicated professional, who will continue to oversee the implementation of our risk appetite and risk tolerance framework. Regarding ethics and integrity management, I am pleased to report that no employees within the Department are engaged in trading with the organs of state. In addition, the Department will persist in ensuring the full and timely submission of financial interest disclosures by all designated categories, aiming for 100% compliance. The Audit Committee will continue to provide essential oversight in these areas, ensuring the integrity and transparency of our processes.

Madam Speaker, we actively supported distressed municipalities which are under section 139 interventions together with Provincial Treasury (PT) through the governance and institutional management workstream. The beneficiary municipalities are, Chris Hani, OR Tambo, Makana, Walter Sisulu and Enoch Mgijima. Out of these municipalities, challenges in Makana still remain stubborn.

We will continue to verify the functionality of all 39 municipal Councils and Council committees. More work still has to be done

on the enforcement of the Code of Conduct for Councillors where breaches have been reported, conduct refresher workshops or training on various legislative compliance matters and administrative governance systems.

Honourable Members, in support of the fight against corruption and to harness Ethical Conduct, Local Government Anti-Corruption Strategy and Municipal Integrity Management Framework, four (4) municipalities, Great Kei, Chris Hani, Alfred Nzo and Koukamma will be capacitated through advocacy sessions. These sessions will assist beneficiary municipalities to monitor the development and review Municipal Fraud Risk Registers, fraud prevention plans as well as the existence of governance structures. They will also provide oversight and ethics officers to drive the anti-corruption and ethics management programmes. We will launch the Provincial Ethics and Integrity Officers Forum for all municipalities.

CAPACITY BUILDING

The "Capacity Building" pillar focuses on strengthening the skills, knowledge, and resources of individuals and institutions to enable effective governance, service delivery, and community development. This pillar recognizes that sustainable development and improved public services depend on building a capable, well-trained workforce at all levels of government, as well as empowering communities to actively participate in their own development.



CAPACITY BUILDING

Madam Speaker, the Department has allocated **R776 711.00** for bursaries to upskill its employees, with a focus on addressing scarce and critical skills. Additionally, the Department has secured funding from the Construction Education and Training Authority (CETA) for three Skills Development Programmes to be rolled out in 2025. The funding breakdown is as follows: **R6 million** for an External Bursary Programme benefiting 50 unemployed individuals, **R550 000.00** for a Learnership Programme for 10 unemployed youth, and **R300 000.00** for a Short Skills Programme for 20 candidates. Furthermore, in the 2025/26 financial year, the Department has allocated **R2.132 million** for a 24-month Internship Programme, with an intake of 20 interns.

Honourable Members, the Department has commenced with the process of implementing the reviewed organizational structure after receiving concurrence from the Minister for the Public Service and Administration (MPSA). The approved organisational structure is aligned with the Service Delivery Model of the Department, Project Management Committees have since been established to ensure full implementation of the structure by end of the financial year.

Honourable Members, to be complaint with the Sector Education and Training Authority (SETA) policy of a grant recipient to have

a panel of service providers; the department will facilitate a process of securing a panel of capacity building service providers to cover four main areas:

- Soft Skills of Councillors and Municipal Officials.
- Technical Skills for section 18.1 and 18.2 learners to augment available skills in municipalities.
- Internal staff personal development programmes.
- Information Technology capacity for municipal support

Madam Speaker, the restoration of the dignity and stature of our Traditional leaders remains our focused priority in the context of deepening transformation to serve our communities better. Fifteen (15) bursaries have been awarded to Traditional Leaders to pursue studies on Public Management and Law to enhance their skills in fulfilling their statutory role. In the 2025/2026 FY the number will increase to twenty (20). In enhancing our support for an improved functioning of our Kingships, a budget of **R3.5 million** has been set aside.

Honourable Members, allow me to brag that over 90% of municipal senior managers have adequate academic qualifications and competencies and 97% of municipal staff establishments are compliant with Municipal Staff Regulation of 2012, in developing and reviewing staff establishments. I must say that academic qualifications are not sufficient if the possession thereof does not

translate into improved municipal performance. The Department will continue to professionalise local government, focusing on ethics, organizational culture and systematic municipal operations. We will ensure that functional structural arrangements are established for continuous engagements and encourage debate with municipal stakeholders including labour unions.

SOUND FINANCIAL MANAGEMENT

The "Sound Financial Management" pillar is dedicated to ensuring the effective, efficient, and transparent management of public funds and resources. This pillar is critical for building trust with citizens, ensuring the sustainability of government programs, and promoting accountability at all levels of government. It focuses on improving financial governance, reducing waste, and making sure that public resources are used in the most effective way to achieve developmental goals.



SOUND FINANCIAL MANAGEMENT

Honourable Speaker, it is evident from our five-year consecutive clean audit outcomes that the Department is stable and capable of delivering on its mandate. Our intention is now to translate this accomplishment into a positive municipal audit performance that would ultimately translate to rapid service delivery, through an integrated clean audit approach.

As part of ensuring financial viability, CoGTA has facilitated Quarterly Arrear Debt Meetings between Municipalities and owing Sector Departments to resolve disputes hence payments were made in the third quarter.

We have initiated a structured intervention to assist the affected nine (9) municipalities with consecutive Qualified, Adverse and Disclaimed Audit Opinions to strengthen their internal controls and address the root causes of negative audit outcomes. The objective is to ensure that necessary corrective measures are in place before the commencement of the next audit cycle in August 2025. Intensified monitoring and support will be provided to municipalities on debt owed by Government Departments and Business. The same applies to Risk Management Support interventions in Municipalities to ensure sound governance practices towards Clean Audit Outcomes.

The department will resuscitate the project on responsible citizenry campaign where municipal councils will be encouraged to engage communities to prioritise the payment of municipal services through the mayoral imbizos and public participation meetings. Municipalities will be encouraged to implement their financial management policies related to debt owed by businesses to ensure maximum collection.

Through Municipal Public Account Committees (MPACs), municipalities will be monitored and supported on collecting debt owed by businesses.



COORDINATION, INTERGOVERNMENTAL RELATIONS, AND THE DDM

Madam Speaker, the Province has approved the Framework to Strengthen the Inter-governmental Relations (IGR) System and DDM Political Engagement Framework (PEF).

The IGR Implementation Protocol (IP) was signed by local and provincial government to pledge a commitment to implement programmes that require joint approach such as Disaster Response, DDM and Risk Adjusted Strategy. In 2024/25, the Province included the IGR IP in the P-MTDP as an Inter-cluster Collaboration Area for the 7th Administration.

The Department commits to support the implementation of the Framework to Strengthen the IGR System, monitor the roll-out of Implementation Protocol binding agreement and the processes of amending the IGR Framework Act No. 13 of 2005. We will strengthen the functionality of local IGR system with a budget allocation of **R300 000.00**.

Madam Speaker, in 2024/2025, our focus was to legitimize and institutionalize DDM. We have deepened and broadened its implementation through local DDM Regulation workshops.

Through the DDM approach, COGTA will coordinate the implementation of DDM in all Districts and Metros. This includes the review and development of the 2nd generation One Plans and support to implement key projects with catalytic effect. An allocation of **R200 000.00** is available in this regard.



BUDGET SUMMARY

Madam Speaker, I present our budget policy statement before this esteemed House as a vehicle to support municipalities and traditional leadership institutions to manage their own affairs, exercise their powers and perform their functions.

Programmes	Medium-term estimates		
	2025/26	2026/27	2027/28
	R thousand		
1. Administration	281 650	264 212	276 970
2. Local Governance	326 526	340 222	353 382
3. Development and Planning	139 494	130 859	137 041
4. Traditional Institutional Management	382 689	417 869	432 411
5. House of Traditional Leaders	35 361	38 401	40 012
Total payments and estimates	1 165 720	1 191 563	1 239 816

Source: 2025 MTEF Database and MTEF Allocation letter

CONCLUSION

In conclusion, as we move into 2025/2026 Financial Year, the Department stands at a pivotal moment in our journey towards sustainable governance, enhanced service delivery, and inclusive development. Our commitment to building stronger, more resilient municipalities remains unwavering, and we will continue to foster collaboration between local government, traditional leadership, and communities.

The policies and programs we have outlined today are not just visions for the future, but tangible steps toward addressing the challenges faced by our people. From improving infrastructure and basic services to fostering local economic development, our collective efforts will ensure that the Eastern Cape Municipalities and Traditional Leadership Institutions are equipped to thrive in the years to come

Thank you, and let us move forward with purpose, vision, and unwavering commitment to the people of the Eastern Cape.

Enkosi, Dankie, Thank you, Kea Leboga.

Zolile Williams, MEC for COGTA, Eastern Cape Province

