

ADDRESS BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MRS YN PHOSA, MPL TO THE SPECIAL SITTING OF THE MPUMALANGA HOUSE OF TRADITIONAL LEADERS AT THE PROVINCIAL LEGISLATURE IN MBOMBELA, EHLANZENI DISTRICT MUNICIPALITY.

Tuesday, 26 November 2013

Chairperson of the Mpumalanga House of Traditional Leaders, Kgoshi LM Mokoena;

Amakhosi le magoshi a rena;

Distinguished guests;

Members of the media;

Ladies and gentlemen;

Good Morning!

Chairperson, as the Department of Economic Development, Environment and Tourism, our mandate, working together with our implementing agents – the three (3) public entities reporting to the Department, is to steer provincial economic growth activities and ensure the preservation of the environment, in order to speed up economic growth and transform the economy to create decent work and sustainable livelihood for the people of Mpumalanga. Our ***Vision*** is to realise “***An inclusive globally competitive economy,***” in order to reduce unemployment, poverty and inequality which are the triple challenges facing our administration.

Therefore, in fulfilling our mandate, we offer the following services to communities around the province:

1. Integrated Economic Development Services

In providing Integrated Economic Development Services, we assist communities:

- a) To register co-operatives and organise awareness seminars for them. These seminars are meant to develop and support existing and aspiring cooperative businesses in communities. Before a co-operative is registered, we dispatch business advisors to conduct pre-incorporation training to the interested group of people. We are committed to walk step by step with any group of people interested in forming a co-operative, until they receive their certificate from the CIPC (Companies and Intellectual Property Commission).
- b) Once a co-operative is registered, we provide business management training to it.

To this end, we can inform this august House that a total of 949 SMMEs and co-operatives across the Province were assisted and provided with business development support in the 2012-2013 financial-year. We further capacitated 85 co-operatives in the identified seven (7) CRDP Municipalities on business management skills, which is critical for their success and development. This included assistance on matters such as registration, lodging of annual returns and restoration of dormant ones.

In empowering women, the Department continues to provide business advice and registration services to co-operatives and SMMEs owned by women. We are currently also assisting the Amakhosikati Project, which started last year by a group of women who approached the Department for assistance. Working together with municipalities, we have with the Chief Albert Luthuli Municipality subsidised 23 women co-operatives with registration funds and the registration process started last month.

In addition, we have developed a credible database which indicates compliance level with the BBBEE and PPPFA by the private sector. This will assist us to ensure that all companies operating in the province meet the balance scorecard. We also ensured that 136 SMMEs and co-operatives benefit from procurement opportunities made available by *Eskom* during the construction of the *Kusile Power Station*.

Of note to-date, is the biggest investment we have made as the Province in assisting a co-operative in Donkerhoek in the Gert Sibande District, with the construction of the state-of-the-art spring water bottling plant. The plant is intended bridge the gap of inequality in the economy, given that it will run by a co-operative of local people. The Department, through *MEGA*, will also facilitate that the co-operative gain access to the market. The construction of the plant is now complete, and will be commissioned soon once all the machinery has been installed.

Chairperson;

I also deem it significant to inform the House that the President has signed the Co-operatives Amendment Act, Act 5 of 2013 whose objectives are:

- a) To strengthen co-operative governance, accountability and transparency and provide for a differential dispensation for co-operatives to reduce the regulatory burden for co-operatives;
- b) To strengthen the co-operative structure to allow for organic growth informed by co-operatives own needs and requirements;
- c) To enhance compliance with legislative requirements; coordination amongst development support for co-operatives at national, provincial and local level as well as to improve the administration, good governance and sustainability of co-operatives; and

- d) To establish co-operative institutions in order to streamline support for co-operatives and to assist with conflict resolution.

This is to signify our commitment, as government, towards empowering and contributing immensely to the growth and sustainability of co-operatives and SMMEs in our Province and the country at large.

How to assist the local tourism attraction

Chairperson;

It is our considered view that Tourism is vital for economic development. It is the fastest growing and labour intensive industry, and it is up to all of us to amass our resources, depth of knowledge and creativity to leverage our collective market as an exceptionally lucrative global tourism market. Truth must be told that tourism remains one of Africa's greatest but most under invested asset. This is however unfortunate because the Tourism industry drives development too, by pulling in other sectors such as construction, infrastructure, arts and crafts, agriculture, services, transportation and manufacturing.

Although for many reasons – the benefits of tourism often do not trickle down to low income groups, tourism can be developed in such a way as to involve the poor. This is against the background that the “pro-poor tourism” concept aims to increase the participation of and flow of income to poor people. The institutional design of sustainable tourism planning should facilitate the participation of diverse groups and interests within the community.

Through tourism, we are proud to announce that the economy of Mpumalanga benefitted to the tune of R3.4 billion in 2010 after welcoming a total of 1.7 million international tourists. This has at the same time, created 113, 837 direct and indirect jobs. We therefore believe that diversification of our tourism product portfolio, collectively as a region; will become a catalyst for tourism growth in the region. We are proud that our region is defined by its rich heritage and culture, sporting supremacy, language, cuisine and the diverse environment.

Our role as government (both provincial and local) is clearly defined in the White Paper of Tourism (1996), and that is to provide the necessary basic services such as water, sanitation and electricity. Over and above the services mentioned earlier, the local government's role is to provide and maintain the public infrastructure such, roads, signage, public transport, parking, parks and information centres and so forth. Together with the local sphere of government, the province is responsible for the marketing of the Local Community Based tourism products and attractions.

In terms of ensuring the sustainability of the community based tourism attractions/products, government in partnership with its entities has made available financial schemes that are geared to improve the attractions in the province. In this instance, we work with the National Department of Tourism, Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA), amongst others, to provide funding for such projects.

When the tourists descend to our various attractions in the province, we also support our product owners in terms of ensuring that their visitors feel safe and secured. We do that through various initiatives, such as the tourism safety monitors programme provided by our sister Department of Community Safety, Security and Liaison, as well as SAPS.

Lastly, I think it is important to mention that the Department has prioritised tourism in the current financial year in that 40% of our total budget has been allocated to the Tourism Programme. This will assist the MTPA to amongst others, market the local tourism SMMEs by exposing them to potential consumers through trade shows such as the Tourism Indaba held in Durban annually.

Mining Awareness Campaigns

Chairperson;

Mpumalanga needs both agriculture and mining to realise exponential economic growth to meet its 2020 job targets. But unrestrained mining activities and unsustainable agricultural activities pose a serious threat to arable land, water resources, bio-diversity and food security. Another major challenge is that mining activities are also associated with environmental contamination such as acid mine drainage that can impact negatively on the quality of our water supply - not only for human consumption, but also for animals and irrigation. In addition grasslands play a unique role in our Province as they connect agriculture (inter alia through provision of grazing land) and environment while serving as a foundation of agricultural productivity and economic growth.

With regards to the significance of grassland, our Department recognises that functioning grasslands and the services and support they provide underpin all economic and social activity. Natural resources such as grasslands (which include provision of graze land), Wetlands and river systems are provincial economic assets. It is with satisfaction that we can inform you that our beautiful grassland covered province, is the first province in South Africa, and probably in the world, to declare a ***Grasslands Week***, that will be commemorated annually during the last week of February.

During this week, the Department in conjunction with other stakeholders, will raise awareness on the complex situation of sustainable development. Inevitably the focus will fall on the economic drivers in the province and their impact on our natural resources.

With regards to water awareness which includes focus on water pollution, our Department recognises that the availability of fresh water is a great challenge for South Africa. At present many water resources are polluted by industrial effluents, domestic and commercial sewage, acid mine drainage, agricultural run-off and litter, making the water not fit for human consumption. The continuous pollution of rivers and streams as well as the growing future demands for water, calls for all citizens to re-assess their attitudes towards these vital water resources. Our awareness campaigns in this regard focus on the sustainable use of water.

Chairperson;

In order to ensure the protection and sustainable utilisation of our natural resources, we have developed various legislative instruments and plans, and amongst them are the following:

- a) **Mpumalanga Provincial Spatial Development Framework (SDF)** which is a framework that takes into account spatial development and natural resources. These include regional and sub-regional integration, corridor and nodal developments, mining, manufacturing and factory.
- b) **Environmental Management Frameworks (EMFs)** which provide a strategic overview of the opportunities and constraints for development, in order to promote sustainable development. Currently EMFs exist for the Emakhazeni, Mbombela, Dr Pixley Ka Seme, Msukalikwa and Chief Albert Luthuli Local

Municipalities, as well as for the other local municipalities within Gert Sibande District Municipality. Financial constraints however have prevented the development of further EMFs for other municipal areas within the province.

- c) **Environmental Implementation Plan (EIP)** serves to co-ordinate the various policies, plans and programmes of the various sector departments that may have an effect on the environment within the province, in order to secure the protection of the environment in the province. The Second Edition EIP was developed in 2009 and is currently still in place, but is however currently being revised by the Third Edition EIP.
- d) **Mpumalanga Biodiversity Conservation Plan (MBCP)** (version 1) was developed in 2007 to ensure the protection of biodiversity in the province through consideration in land use decision making. This plan is currently being revised and the Mpumalanga Biodiversity Sector Plan (version 2) will also be available shortly. Bio-regional Plans will also be developed to ensure that biodiversity targets are taking into consideration at district level planning.

In addition, our Department had various stakeholder engagements to address environmental challenges that results from mining activities.

- In October 2012 a Mining Lekgotla was held with key stakeholders. Various commitments were made at the Lekgotla addressing a number of relevant environmental and social issues. These commitments were identified in action plans addressing issues such as water pollution and protection, amongst other issues.
- On 22 April 2013, there was a meeting held with key stakeholders for the co-ordination of a strategic approach for mining in Mpumalanga.

Awareness was raised at this meeting regarding the various current strategic initiatives being undertaken within the province by various stakeholders, with the aim of ensuring a more coordinated approach to mining activities in the province.

Following these engagements, we received a number of recommendations.

- Stakeholders involved in the coordination of a strategic approach to mining process need to be incorporated into the post Mining Lekgotla stakeholder engagement process;
- Mining Environmental Impact Assessments (EIAs) should take into consideration the long term effects on the environment such as water pollution due to acid mine drainage and loss of biodiversity (grazing land).
- Working together with the Department of Water Affairs, the Department should look at alignment of plans for protecting the environment.

Stakeholders also observed that:

- Research has shown that of the 872 007 hectares of arable agricultural land available in Mpumalanga, only 18 378 hectares has already been transformed; and that
- The province, mostly the Highveld region, is experiencing a reduction of high value agricultural land due to mining activities thus posing a serious risk on food security.

As a Department, our mandate with regard to mining applications is limited. Once such applications are received, we scrutinise them and make comments to the Minister of Mineral Resources, who makes the final decision after considering our comments.

However once such licenses are approved and issued, we monitor compliance, make follow ups on transgressions made on the environment. The most common transgression we have discovered in the province is on sand mining.

Sponsorship for level 5 children

The Mpumalanga Provincial Government has an obligation to develop the Human Resource capacity of the Province including the capacity of the citizens of the Province. To discharge this obligation, the Provincial Government provides financial assistance in the form of bursaries to the citizens to further their studies.

The Mpumalanga Provincial Government endeavours to implement the Provincial Human Resource Development Strategy and the Mpumalanga Economic Growth and Development Path, hence it intends to award bursary opportunities to unemployed youth who resides in the province to further their studies in critical and scarce skills. The bursary scheme prioritizes the previously disadvantaged and deep rural communities in the province. In addition, females and people living with disabilities are encouraged to apply for various scarce fields within the various departments.

On an annual basis (June/July) there will be an advert placed for bursaries via the Department of Education. To qualify for the bursary scheme, the applicant must complete the standardised bursary application form available in all the Departments of the Provincial Government including at regions and districts, Thusong Service Centres, public libraries and Municipalities.

Royalties for traditional communities collected by MTPA

In addressing the issue of royalties for traditional communities collected by the MTPA, it is important to mention that amongst others, the MTPA is working closely with the Traditional Leadership in the Nature Reserves under their management. Such examples include but not limited to the agreements signed with:

- Chief Nkosi, through the Mpakeni Development Trust at Mthethomusha Nature Reserve; and
- Matsamo Tribal Authority at Mahushe Shongwe Game Reserve. The proceeds of the tribal authority are channelled through the Mzinti Resources Account.

The MTPA has also signed a number of co-management agreements with communities that have claimed land under the MTPA Nature Reserves.