

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.

Friday, 27 September 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.

2. Environmental Services: Mining awareness campaign

Chairperson;

We have developed various legislative instruments and plans which are geared for protection of the environment in relation to land use choices. Amongst them is the:

- 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.