

Office of the Premier POLICY & BUDGET

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MPUMALANGA LEGISLATURE

Ms RM MTSHWENI-TSIPANE
PREMIER OF MPUMALANGA PROVINCE



office of the premier
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



SAVE SOUTH AFRICA

TOGETHER WE CAN BEAT THE CORONAVIRUS



**REMARKS BY THE HONOURABLE PREMIER
R.M.MTSHWENI-TSIPANE OF MPUMALANGA
PROVINCE ON THE OCCASION OF THE VIRTUAL
TABLING OF THE BUDGET VOTE FOR THE OFFICE
OF THE PREMIER**

DATE: 11 JUNE 2021

Honourable Speaker and Deputy Speaker;

The Chief Whip of the ruling Party;

Honourable Members of the Executive Council;

Honourable Members of the Legislature;

The head of our administration Acting Director

General, Mr Peter Nyoni;

Good Morning;

Sanibonani;

Lotshani;

Dumelang

The Context

1. Madam Speaker, it was on the 25th of June last year when I delivered the budget vote for the Office of the Premier before this august house under conditions that were neither predictable nor comprehensible. The Covid-19 pandemic was wreaking its devastating impact across the world and we had entered a period of prolonged uncertainty.
2. It was difficult to know what the world would look like in the short term, and close to impossible to plan for the medium and long term.
3. Today we are still facing the challenges brought forth by the pandemic. However the development of a vaccine has enabled us to plan for the medium to long term. What we can never be blind to is the fact that the Covid-19 pandemic has birthed a new normal for all people across this beautiful Province.
4. It is through the navigation of this new normal that we shall endeavour to continue to improve the quality of life and future for the people of the Province of the rising sun.

Social Support

5. Madam Speaker, the last year has been a very challenging period for all of us. Whilst we have achieved remarkable success in our response to the pandemic by scaling up the quality of our health system to improve testing, tracing, quarantine and treatment of Covid-19 patients whilst at the same time trying to minimize the spread of infections across the Province, we have not escaped the socio-economic ravages of the pandemic.
6. Indeed , this pandemic has wreaked untold havoc to the people of Mpumalanga with women, older persons, the youth, low-wage workers in the formal and informal sectors being the most disproportionately affected by the pandemic.
7. Every worker, every business and every corner of our province has been affected. A significant number of jobs have been lost.
8. Those toiling in the informal economy — often without rights at work and lack of consistent social protection have seen their earnings decline significantly.

9. Women in particular have been hard hit — working in many of the most critically affected sectors, while also carrying the greatest burden of increasing levels of unpaid care work, the work of caring for their sick loved ones and their families.
10. Young people, persons with disabilities, and so many others continue to face tremendous difficulties.
11. Many small and medium-sized enterprises, which are the engine of our economy especially in the tourism industry, are facing an existential threat.
12. The pandemic has exposed our own shortcomings, and existing fragilities and fault lines.
13. Our extended social security grants net have been critical in ensuring that we cushion what would have been a catastrophic impact on the most vulnerable cohort of our population.
14. Our fiscal and monetary policies have been able to support the direct provision of resources to workers and households.

15. The provision of health and unemployment insurance, scaled up social protection, and support to businesses have contributed significantly to prevent bankruptcies, insolvencies and massive job losses.
16. Madam Speaker, as I indicated in the budget vote address for the Office of the Premier last year, the economy would have to go through three phases in an effort to return to pre-covid economic trajectory. These phases are
- The Response Phase,
 - The Recovery Phase and
 - The Growth Phase.
17. Whilst this statement remains valid and is supported by historical and empirical scientific data, the emergence of different strains of the Covid-19 virus and the rise in infections across different time periods or waves as they are commonly referred to has compelled us to implement the afore-mentioned economic phases concurrently.
18. As we continue to respond to new infections and new pandemic waves, we have adapted our recovery plans to respond to new challenges at the same time forge ahead with massive economic recovery

projects that will propel us towards sustainable economic growth.

Mitigating the Impact of COVID-19 epidemic

19. As part of Mpumalanga's contribution towards compilation of the Country Report on the socio-economic impact of Covid-19 pandemic, the Office of the Premier commissioned a ***research study to record the experiences and lessons of the Province*** in tackling the COVID-19 pandemic.
20. Key findings of the study are;
 - That the establishment of the Provincial Command Centre (PCC) ensured that the response to the pandemic was multi-sectoral and coordinated from the centre;
 - That the primary response department, Department of Health, prepared a robust strategy that ensured that not only government officials and health workers are protected but the entire provincial population;
 - That the support from the National Department of Health (NDoH) and World Health Organization (WHO), and partners like BroadReach and Right to Care ensured that the province followed national guidelines and

regulations as per the Disaster Management Act;

- That the reprioritisation of activities, in particular non-salary items, and the supply and distribution of necessary commodities and resources reduced the rapid spread of the virus; and
- That the collaboration between the Departments of Agriculture, Rural Development, Land and Environmental Affairs, and Social Development (DSD) in the distribution of food parcels in the province was effective in assisting depressed households;

21. The report also took note of what needs to be implemented differently as we learn to live with the virus. These include:

- Implementation of rotational system among Health Care Workers to avoid fatigue as this can lead to mistakes. The need to hire more staff in critical areas like testing labs and border posts;
- Budgeting and purchasing of quality spray pumps for decontamination, respirator masks, and all essential equipment for responding to the pandemic;
- Readiness assessment of quarantine and isolation facilities;

- Long term planning for isolation units in all hospitals-to increase High Care beds in the COVID-19 wards; and
- Development of a Standard Operating Procedure (SOP) defining integrated response activities to be carried out by the different pillars in the community;

22. Madam Speaker, the State of the National Disaster resulted in ***budget cuts across government*** and two major budget adjustment processes in the Province which sought to mitigate the impact of COVID-19. The MEC for Finance, Economic Development and Tourism tabled the Provincial Special Adjustments Budget to this August House on 21 July 2020.

23. This resulted in the re-tabling of all 2020/21 Plans in September 2020 and delays in finalizing our Provincial five year plan. Subsequently, the second budget adjustment followed in October 2020, affecting mostly Compensation of Employees (COEs).

24. The Draft Provincial five year plan for 2019-24 is progressively implemented annually through the annual Provincial Programme of Action (PPOA). Through the Executive Council, the implementation

of the current approved 2021/22 PPOA is being monitored quarterly.

25. The negative impact of Covid-19 has necessitated that the Provincial Government reviews its Provincial 5-year plan in line with the national 2019-24 Medium Term Strategic Framework (MTSF) that has since been reviewed in March 2021.

26. In addition, a ***monitoring and evaluation framework for the Provincial 5-year plan*** is being developed to track progress on outputs, outcomes and impact of all interventions in the plan.

Towards Economic Recovery – Post Pandemic

27. The virtual Executive *Makgotla* sessions that took place early this year, in February and March 2021, resolved that the provincial focus should be on rebuilding our economy after the devastating impact of the pandemic on our provincial economic outcomes. Part of the initiatives introduced, was to develop the ***Provincial Economic Recovery and Reconstruction Plan (MERRP)*** in line with the following policy imperatives:

- The South African Economic Reconstruction and Recovery Plan (national government, 2020)

- Address by President Ramaphosa to the Joint Sitting Of Parliament (15 October 2020)
- State of the Nation Address (11 February 2021)

28. The following are some of the **key pillars of the MERRP**;

- Planned ‘massive’ rollout of infrastructure – this will entail interventions in the ***Mpumalanga Infrastructure Master Plan***, the ***Provincial Spatial Development Framework*** and catalytic projects on basic services, social and economic infrastructure.
- Growth through industrialisation, localisation and export promotion – this will be guided by the Mpumalanga Industrial Development Plan that seeks to diversify the economy into downstream manufacturing based industries;
- Sufficient, secure and reliable energy supply and Green Economy initiatives guided by the Mpumalanga Green Economy Development Plan.
- Employment stimulus - Interventions programmes will target the strategic pillars of the SMME Development Strategy, namely, Development and Human Capital; Business Development; SMME regulatory framework; Township and Rural economy stimulation; and Research & Development;

- Growth and recovery of tourism – to be guided by both the national and provincial Tourism Sector Recovery Plans;
- Agriculture and Food Security - We will continue to strengthen the provincial agricultural output whilst ensuring food security for the country;
- Gender and economic inclusion of marginalised groups within the Province

29. The **Executive Council** adopted this broad provincial economic recovery and growth plan (**MERRP**) already in July 2020. Currently, consultations with various external stakeholders are underway at the district level.

There is light at end of the Tunnel

30. Madam Speaker, every dark cloud has a silver lining. We are beginning to see the light at the end of the proverbial tunnel. Companies big and small and government have embraced innovation in light of the prevailing circumstances.

31. Millions have adapted to working remotely, in many cases with astonishing success.

32. Our immediate response has been to support enterprises that employ a large volume of workers in order to avert job losses and income decline.
33. Secondly our greater focus has been to ensure that workplaces are safe and do not pose a risk of becoming super spreader facilities.
34. Thirdly, we have been mobilizing for a human-centred, green and sustainable, inclusive recovery programme that harnesses the potential of new technologies to create decent jobs for all — and draws on the creative and positive ways companies and workers have adapted to these times.
35. Our success will depend on our informed and well-timed action at all levels, making sure that we turn pandemic adversities and challenges into opportunities, adapting our ***Medium Term Framework Strategies and Vision 2030*** to respond to our rapidly changing environment.

Support for equality and advancement of Women

36. Honourable Speaker, freedom without the freedom of women, in particular, is not complete

freedom. The emancipation of women from all bondages inherited from apartheid policies and patriarchy remains high on our agenda.

37. In this regard, we shall not rest until all women in the province, including those in the country and the world, are completely free.

38. It is for this reason that we are also continuing with our efforts of mainstreaming gender equality and women empowerment into Government programmes and mobilizing civil society and other external stakeholders through the coordination of the Provincial Gender Machinery.

39. Madam Speaker, we are also alive to the fact that the pandemic has had a devastating social and economic consequences for women in particular.

40. Research shows that the pandemic could reverse the limited progress that has been made on gender equality and women's rights calling for us to put women's leadership and contributions at the heart of resilience and recovery.

41. Almost 60 per cent of women in our province work in the informal economy, earning less, saving less, and thus at a greater risk of falling into poverty.

42. As the economy faltered and businesses close, millions of women's jobs have been eroded.
43. Whilst women continue to lose formal remunerative employment, women's unpaid care work has increased exponentially as a result of school closures and the increased caring for those infected and affected by the pandemic.
44. These factors combine to avert the advancement of women's rights and access to opportunities and by so doing exacerbate the perennial problem of gender parity.
45. Progress lost on gender equality takes years to regain. Teenage girls out of school may never return and we must guard against this disruptive phenomenon.
46. We must put women and girls at the centre of our efforts to recover from COVID-19.
47. As a Provincial Government, we will play our part in advancing gender parity by ensuring that we improve the current 36,4% composition of women as Senior Management level to 50% by the end of this MTSF.

48. We will do this by ensuring that all Departments implement the ***Gender Responsive Planning, Budgeting, Monitoring, and Evaluation and Auditing framework***.

Climate Change and Just Transition

49. Madam Speaker and honourable members, we must all acknowledge that climate change is part of the new normal we must traverse.

50. Mpumalanga Province is sensitive to the impacts of climate change and will bear the brunt of unmanaged energy transition processes.

51. We are already facing socio-economic challenges of extremely high levels of joblessness, poverty and inequality.

52. Our reliance on coal currently poses serious risks to livelihoods and wellbeing, especially for the most vulnerable.

53. These risks are well documented and include air and water pollution, land degradation and lack of economic diversification which could become even more severe when the inevitable happens and power stations are decommissioned.

54. There are however many opportunities abound as the Province undergoes a just transition from the over reliance of coal energy in a manner that ensures economic diversification, adequate environmental rehabilitation and addresses concerns of the workforce and local communities.
55. Just transition from the current energy resources to low carbon emissions based economy must include social and economic restructuring that alters patterns of inequality, poverty and incorporates those excluded from the mainstream of the economy.

Strengthening International Partnerships

56. Madam Speaker, in order to **increase Foreign Direct Investment (FDI)** in the Province, the Office of the Premier together with DEDT and MEGA, continues to lead trade promotion and investment initiatives. The Office of the Premier support this area of work by establishing cooperation relationships with partner provinces across the world in order to increase trade and investment to the Province.
57. The Province will be participating in a virtual roundtable discussion with business community in

the United States of America in July 2021 as part of an effort to present available opportunities in the various sectors of the Provincial economy. This initiative forms part of a drive to attract the needed foreign direct investment to the Province.

58. Performance information remains an important tool in monitoring progress towards achievement of our targets and goals. For this reason, performance information must be credible, reliable and accurate.
59. In this regard, the development of a **Provincial Performance Monitoring System** linked to the Geographic Information System (GIS) as announced last year is also in progress.
60. The process of appointment of a service provider will be finalized soon and the project will be accelerated. An amount of **5 million rand** has been set aside to operationalize the ***Information management hub and Provincial Performance Monitoring System***.
61. This will take into account the current ***Electronic Quarterly Performance Reporting System (eQPRS)*** which is implemented by the Department of Planning, Monitoring and Evaluation (DPME) throughout the country.

62. Honourable Speaker, we are also pleased to announce that the Executive Council has finally approved the Provincial Evaluation Plan for 2020 to 2025 in line with the provisions of the National Monitoring and Evaluation Policy Framework.

Strengthening the role of Mpumalanga Provincial AIDS Council

63. Madam Speaker, as we battle the Covid-19 pandemic, we must not forget the worryingly high prevalence of HIV infection across the Province.

64. The prevention of HIV infections amongst Adolescent Girls, Boys, Young Women and Men remains a priority for the Province. Interventions to mitigate the impact of HIV infections have been expanded to all wards in all Municipalities through partnership with ***Presidential Emergency Prevention for AIDS Relief (PEPFAR)*** and the Global Fund.

The Mpumalanga Youth Development Fund

65. Madam Speaker, youth unemployment is one of the economic daunting challenges facing the Province with over 61% of its population aged between 18 and

35 falling under the expanded definition of unemployment.

66. To respond to the challenges faced by young people across the Province, we established the ***Mpumalanga Youth Development Fund (MYDF)*** that aims to provide a wide range of financial and non-financial support services to Mpumalanga youth owned businesses.
67. Furthermore, the Office of The Premier has developed a comprehensive ***Mpumalanga Youth Development Fund Strategy***, which serves as a blue print to uproot the scourge of joblessness amongst the youth across the length and breadth of the province. The Fund will, amongst other things, prioritize young women, persons with disabilities and above all, reach out to youth residing in rural areas.
68. The ***MYDF*** will increase youth participation in the economy; whilst the funded and youth owned enterprises will work towards the reduction of the youth unemployment in the Province.
69. Young people, without requisite skills to develop bankable business plans but keen to establish businesses, have been identified and through

targeted mentoring, coaching and training programmes, will be capacitated.

70. An amount of 90 million rand (which includes the allocation for the previous financial year) has been allocated in this financial year for supporting youth entrepreneurs. The project will be rolled out in a two-phased approach; the pilot phase is for a period of 3 years with 100% grant and the full-scale phase, which will be in the form of a grant or loan.
71. The disbursement of the Fund will be done through MEGA after the signing of a Memorandum of Agreement between OTP and MEGA, which is projected to commence before the end of July of 2021.
72. Currently 700 applications were received from the youth of Mpumalanga. The Office of the Premier has established the different work streams comprising relevant skills to enhance our capacity to speedily and efficiently rollout the project. To ensure good governance, accountability and integrity of the process, an oversight governance structure has been put in place by the Executive Council. This structure comprises three members of the Executive Council.

Provincial Youth Development Coordinating Forum

73. Madam Speaker, The ***Provincial Youth Development Coordinating Forum (PYDCF)*** is a multi-sectoral platform made up of private sector, public sector and civil society stakeholders dealing with the overall youth development agenda in the province will be convened quarterly in order to monitor progress on youth development in the province.

The fight against Gender Based Violence & Femicide.

74. Madam Speaker, Mpumalanga Province continues to feel the negative impact of the depressed economy, rising numbers of unemployment, through the rise of Gender Based Violence and Femicide.

75. This state of affairs continues to have an adverse effect on the efforts and interventions to improve the performance of the provincial, local government, private sector, civil society and other entities in order to improve the quality of life for the people of Mpumalanga.

76. Honourable Speaker and Members, the scourge of violence against women and children cannot be allowed to continue unabated. It is our duty to

mobilise every segment of the community against this scourge.

77. To direct and guide our fight against the scourge, the Office of the Premier will lead a process of provincializing the ***National Strategic Plan on GBVF***. This process of developing the Provincial Strategic Plan on GBVF will commence in the 2nd quarter of the 2021/22 Financial Year and be finalized by the end of 3rd quarter.
78. In this regard, the Office of the Premier has embarked on a process of establishing a **Provincial Task Team on Gender Based Violence & Femicide**, which will be very instrumental in coordinating the implementation of the Provincial Strategy. The process will be finalized at the end of June 2021 and, as Premier of the Province, I will co-chair the task team with one representative from the civil society organizations.
79. The Office of the Premier will coordinate the sittings of Provincial Task Team which will be convened quarterly to monitor the implementation of all GBVF related programmes and the implementation of the Provincial Strategic Plan on GBVF.

Baseline Research Study on empowerment and development of target groups

80. Madam Speaker, in the current financial year, the OTP will compile and develop a detailed provincial assessment report on the status of empowerment and development of target groups since 1994 to 2020. The aim of the study is to establish a baseline and reflect on progress made in this regard since the advent of democracy.

Persons with Disabilities

81. Honourable members, finally, the migration of the Office on the Status of Persons with Disability back to the OTP has come to its conclusion. The OTP has finally welcomed this migration from Department of Social Development. The desk will continue to monitor the mainstreaming of transformation issues in respect of persons with disabilities.

Military Veterans

82. The Province has moved swiftly to respond to the President's clarion call to work towards improving the material conditions of ex combatants. These are men and women who dedicated their youthful lives to uproot the scourge of deprivation,

marginalisation, thus fighting for the restoration of human rights to the majority of South Africans whose history was drenched in institutionalised racism and where access to services was predicated along colour lines.

83. Whilst being fully cognizant of the fact that Defence, Military and Military Veterans are not Provincial Legislative competencies as contemplated in Schedules 4 and 5 of the Constitution of the RSA of 1996, as well as the scope, content and applicability of the Military Veterans Act of 2011 with specific reference to Section 9 of the said Act.

84. The Office of the Premier has deemed it appropriate to facilitate an effective coordinated Provincial Government-wide response that will culminate in the development of a comprehensive Programme of Action to ameliorate the material conditions of ex-combatants resident in the Province. This is in consonance with the existing legislative framework in respect of Military Veterans.

85. To contribute towards alleviating the plight of ex-combatants, we have decided to establish a

Premier's Military Veterans Advisory Committee (PMVAC).

86. This Committee will advise the Premier of Mpumalanga Province on high-level strategic and complex issues pertaining to the welfare of ex-combatants.
87. The Office of the Premier has so far, received 77 applications, the assessment process has commenced and will culminate into a process of subjecting the potential candidates into an interview which seeks to ensure their credibility and readiness to provide appropriate advice to the Premier as and when required. This process will be executed in tandem with the Department of Military Veterans.

Access to Broadband Connectivity

88. Honourable Speaker and Members, the reality of and need for technological advancement can no longer be denied and ignored. Information and communications technology, and 4th Industrial Revolution are part of us and will remain with us beyond our generation. If we are to improve the quality of lives of the people of Mpumalanga and make their day to day living convenient and easy, we need to embrace the 4IR.

89. In this regard, the Office of the Premier carried out a **Broadband feasibility** study to assist in determine the exact requirements for Broadband connectivity within the Province. Based on the feasibility study, a 10 year Broadband Plan is currently under development.
90. A second draft has been prepared taking into consideration inputs from consultation sessions and is currently being subjected to scrutiny and alignment with national departments and the State IT Agency.
91. The primary aim of the **10 year Broadband Plan** is to ensure that the currently under-serviced and rural areas in the Province are provided with sufficient connectivity. This will ensure that all citizens of Mpumalanga enjoy high-speed connectivity thereby ensuring that the rural areas of the Province enjoy the same benefits and access to education, health and services as their fellow citizens in the cities currently have. The Province has an aim of ensuring that at least 80% of the Province enjoys access to the internet through high speed Broadband by 2024.

Institutionalising an Ethical Culture

92. The review of the Anti-Corruption Strategy is still at an infancy stage, as consultation with all relevant stakeholders could not be undertaken due to the stringent lockdown restrictions, which minimised the movement of people and the related restrictions on gatherings.
93. The Province will finalise the process of reviewing and enhancing its Provincial Anti-Corruption Strategy to ensure alignment with the national strategy.
94. The Office continued to investigate reported cases of fraud and corruption impartially. We will continue to investigate and ensure implementation of recommendations to restore public confidence.

Improving Audit Outcomes

95. Honourable Speaker, negative audit outcomes have been a thorny matter for the Provincial Government. To improve audit outcomes, the Office of the Premier will continue to support departments whose audit outcomes leave a lot to be desired.

96. In 2020/21, through the shared audit services function, we were able to provide internal audit services to the five cluster Departments.
97. Furthermore, in its partnership with Provincial Treasury on improved audit outcomes, progress has been registered in the report of the Auditor-General which shows that 10 Departments in the Mpumalanga Provincial Administration obtained unqualified audit outcomes for the financial year ended 31 March 2020, as opposed to 9 from the previous financial year.
98. Departments have developed remedial audit action plans to address all the findings raised by the Office of the Auditor General in the 2020/21 audit. Progress on implementation of the audit action plans are being monitored by both the Internal Audit and Audit Committee on a quarterly basis. Furthermore, departments expected to report to the audit committee on a quarterly basis on the progress made for both Internal Audit and Auditor General Issues.
99. The Office of the Premier will, in 2021/22, continue to provide internal ***audit services*** to these departments, and monitor implementation of audit

action plans, to ensure the realization of *improved audit* outcomes.

100. In this regard, we will review the efficiency and effectiveness of internal controls in order to assist in the strengthening of the control environment.

101. We have successfully collaborated with Provincial Treasury to pilot the computerised the invoice tracking system. This has assisted in ensuring that the Office complies with the prescript of paying suppliers within 30 days.

102. Challenges with the system are being monitored for continuous improvement. We will continue with this partnership with Provincial Treasury to monitor that departments across provincial administration and evaluate the process of payment of service providers within 30 days.

103. These performance outcomes take into consideration, our ***strategic focus for the next 5 years*** as detailed in our re-tabled Strategic Plan for 2020-2025 and Annual Performance Plan for 2021-22 tabled to this august house.

104. It is therefore an honour, Madam Speaker, to table the budget of the Office of the Premier, and I

accordingly request the House to approve the amount of **R383 904 000.00. (Three Hundred and eighty-three Million, Nine Hundred and Four Thousand Rand)** for the 2021/22 financial year, allocated as follows:

- Programme 1: Administration – **R122 303 000.00 (One Hundred and Twenty-Two Million, Three Hundred and Three Thousand Rands)**
- Programme 2: Institutional Development **R85 072 000.00 (Eighty-Five Million and Seventy-Two Thousand Rands)**
- Programme 3: Policy and Governance - **R176 179 000.00 (One Hundred and Seventy-Six Million, One Hundred and Seventy-Nine Thousand Rands)**

105. I thank you.