

## 2012/13 Budget Analysis

### Chief Directorate: Environmental Affairs

#### Eastern Cape Department of Economic Development, Environmental Affairs & Tourism (DEDEAT)

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### Key Findings and Recommendations

#### *Finding 1*

The Environmental Affairs budget comprises a mere 0,47% of the province's total fiscal envelope. This does not point towards the provincial government having appropriate regard for the fundamental life-supporting role of the province's environment, despite DEDEAT policy pronouncements relating to the global environmental crisis.

#### *Recommendation*

The provincial government needs to take stock of the mismatch between its approach to environmental protection, as reflected in its budgetary allocation to the function, and the global decline in environmental integrity, from which the Eastern Cape is not excepted.

#### *Finding 2*

Given the limitations of its budgetary dispensation, one cannot envisage Environmental Affairs imposing itself within provincial government on a scale commensurate with the significance of its function as custodian of the province's environment.

### ***Recommendation***

Environmental Affairs should be afforded a budgetary and structural dispensation which demonstrates that it is recognised as a crucial player in Eastern Cape governance, and which empowers it to impose itself in accordance with the gravity of the environmental challenge at both global and provincial levels.

### ***Finding 3***

70% of the Environmental Affairs budget is channeled to protected area management, but provincial protected areas comprise only 2% of the province's land surface area, and are in any case generally not subjected to the same degrees of environmental stress as the "unprotected" bulk of the province.

### ***Recommendation***

Environmental Affairs' approach to budgeting should be fundamentally overhauled with a view to the achievement of geographical correlation between expenditure and environmental challenges.

### ***Finding 4***

The allocation for the Environmental Quality Management sub-program, which embraces both the Environmental Impact Management function and the DEDEAT policy priority of mitigating climate change and promoting investment in clean energy technology, constitutes only 0,03% of the province's fiscal envelope.

### ***Recommendation***

Given the primacy of the Environmental Impact Management function in shaping the state of the province's environment, the sub-program should command a significantly greater share of the province's budget.

### ***Finding 5***

The budget for the Compliance and Enforcement sub-program also only comprises 0,03% of the provincial fiscal envelope, despite this function being a focal area in DEDEAT's policy statement.

### ***Recommendation***

The sub-program should receive a budget allocation which is more in line with the importance with which it is viewed both internally within DEDEAT, and externally by the public.

### ***Finding 6***

The Compliance and Enforcement budget has moreover decreased from R27,003 million to R15,180 million.

### ***Recommendation***

DEDEAT should indicate the basis for this budget reduction within a stated policy focal area.

### ***Finding 7***

Biodiversity Management is also a DEDEAT policy priority but provision for this function outside of protected areas amounts to 0,04% of the province's budget envelope.

### ***Recommendation***

In line with recommendations above, crucial environmental functions need to attract more substantial proportions of the province's budget envelope.

### ***Finding 8***

Notwithstanding its limitations as articulated in Finding 7, the budget allocation for biodiversity management outside of protected areas exceeds that for Environmental Quality Management, which is incongruous given the cardinal role of the Environmental Impact Management function as pointed out in the Recommendation contained under Finding 4.

### ***Recommendation***

Sub-program allocations need to align more closely with the relative contributions of respective environmental stressors to the decline in integrity of the Province's environment.

### ***Finding 9***

Budget has been assigned for climate change mitigation and clean energy technology promotion, which is a contradiction in terms in the absence of sound environmental governance at a more foundational level.

### ***Recommendation***

Focus at this time should be centered on excellence in baseline environmental governance, the attainment of which will justify assignment of funds to higher-level issues.

### ***Finding 10***

While the total Environmental Affairs budget has increased by R46,378 million relative to its 2011/12 allocation, R40,569 million of this amount represents additional funding for the Eastern Cape Parks and Tourism Agency.

### ***Recommendation***

In line with the recommendation associated with Finding 3, budgeting and budget augmentation should align geographically with environmental challenges.



## **Introduction**

Few would argue that the Eastern Cape is not endowed with a rich array of natural resources. Indeed, these attributes invariably constitute a centerpiece of initiatives which seek to portray the province as a destination of choice. Such initiatives include those driven by the provincial tier of government.

Of course destination marketing value is but a subsidiary layer in the overarching indispensability to humans beings of the natural environment, it being as it is the basis for the existence of all life forms on earth. And as we know, humans as a species are presently confronting this indispensability, as, across the globe, they collectively face up to the disparity between their consumption patterns and the finite carrying capacity of the natural environment.

In the circumstances of its constitutional mandate to protect the environment, as well as its role in promoting tourism, it is reasonable to assume that the provincial government allocates budgetary resources to environmental protection on a scale which is commensurate with the province's fundamental reliance on its natural resources.

This analysis evaluates the budget allocation for the environmental function within the Eastern Cape Department of Economic Development, Environmental Affairs & Tourism (DEDEAT), which is the institution tasked with discharging the provincial government's environmental governance mandate. As its name indicates, and not coincidentally, the Department is also charged with tourism promotion in the province.

## **The Eastern Cape government's overview of environmental governance**

### ***State of the Province Address***

The Premier's 2012 State of the Province address provides insight to the provincial government's perspective on environmental governance. A transcript of the address is captured in a 30 page booklet. The first four pages cover the routine greetings and political statements associated with events such as this. On page 5 there is an indication of progress with implementation of priorities which were announced at the start of the government's term of office, and the balance of the address consists of a systematic account of advances in meeting specific sectoral priorities.

The second half of the document deals with priorities which are arguably not explicitly linked with the state of the environment, viz. *strengthening education and building a skills and human resources base, improving the health profile of the people of the province, the fight against crime and corruption, building a developmental state and the building of cohesive and sustainable communities.*

On the other hand, the content included under *the creation of decent work and growing the economy, building social and economic infrastructure and rural development, land, agrarian reform and food security* generally has significant implications for the environment. Coverage of these sectors amounts to some 10 pages. Within the outline of activities under *building social and economic infrastructure* reference is made to the environmentally contentious N2 Wild Coast road development scheme. As a sequel to mention of the envisaged job creation, investment and economic development benefits which will accrue from the project is the following sentence:

*“However, in as much as government champions nature conservation, we have an obligation to balance the protection of environmentally sensitive areas with economic development and job creation.”<sup>1</sup>*

This is the sole and solitary reference to the environment in the address. The statement gives no hint of aspiration towards environmental best practice, and, equally, it does not point to the environment ranking particularly highly on the provincial government's agenda. Indeed, a pessimistic reading suggests that it seeks to place environment firmly in its place as a “nice to have” when not inconvenient to the stated priorities.

### ***Budget Speech***

In discussing allocative priorities in the 2012/13 budget speech, the MEC responsible for the Provincial Treasury refers to six priority areas. These, specifically *creating decent work and growing the economy, building social and economic infrastructure, rural development, education, health and building a developmental state*, correlate with six of those covered in the State of the Province address.

Environmental governance does not receive mention in the speech. However, under *creating decent work and growing the economy*, there is reference to the green economy, it being one of six focal points for job creation. In this vein, it is indicated that recent investments in the province include two renewable energy initiatives.

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<sup>1</sup> Eastern Cape *State of the Province Address 2012*, Premier Noxolo Kiviet. p.11.

Whereas budget details are dealt with in more detail elsewhere in this analysis, it is prudent to mention here that the speech indicates that the province's fiscal envelope stands at R56,2 billion for the 2012/13 budget year, of which DEDEAT is allocated an amount of R936,063 million.

### ***DEDEAT Policy***

Naturally, given DEDEAT's mandate, the MEC's 2012/13 policy statement<sup>2</sup> is more forthcoming on environmental governance. In fact, at the very outset it frames provincial policy against a backdrop of environmental crisis. In contextualizing the policy, the MEC refers to the triple crisis, this being the coincidence of economic, environmental and energy crises, as constituting both a serious threat to and "compelling" opportunity for the province.

In reference to the environmental crisis, the speech highlights the vulnerability of the province to the ravages of climate change. It additionally notes the "dire" consequences for future generations of biodiversity depletion stemming from changing land use patterns and illegal trade in wildlife. Turning to the energy crisis, it indicates that the policy lays a foundation for fundamentally transforming the way we power our economy.

Introducing DEDEAT's core service delivery programs, viz. economic development and environmental affairs, the speech makes reference to the concept of sustainable development as formulated at the Rio Earth Summit of 2002. It further notes the need for the province to contribute towards the realization of the goals of the Rio Declaration on Environment and Development.

Within the economic development program, one of six focal areas pertains to the exploration, in concert with the New Growth Path and the National Development Plan, of the *concept of "green jobs" as part of a pro-growth, pro-development and pro-jobs strategy*. Specific reference is made to *green job creation in the tourism and agro-processing sectors*.

Reference to the energy factor at program level is brief. It is noted that energy policy is determined and administered nationally, and that provincial emphasis is on programmatic implementation. Efforts will reportedly focus *on facilitating and supporting investments in clean energy technologies*. This appears to fall within the domain of the environmental affairs program.

### **Environmental Affairs focus in DEDEAT policy statement**

Three focal areas are specified, viz

- The protection and management of biodiversity for present and future generations. Enhancing and expanding the province's protected area network is a key plank in this thrust.
- Combating environmental crime.

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<sup>2</sup> *DEDEAT Policy Statement*, MEC Mcebisi Jonas, 22 March 2012.

- Managing climate change impacts. Promoting investment in clean energy technologies resides within this focal area.

### **DEDEAT Budget allocations**

As already noted, DEDEAT's budget amounts to R936,063 million. Of this amount, R264,726 million, or 28,2%, is allocated to the Environmental Affairs program. The balance is apportioned between the Economic Development and Administration programs, to the extent of R499,960 million (53,4%) and R171,377 million (18,3%) respectively.<sup>3</sup>

### **Environmental Affairs program description and objectives**

The Environmental Affairs program (DEDEAT Program 3) is structured around five sub-programs. According to the descriptions contained in the Estimates of Provincial Revenue and Expenditure for 2012/13 (EPRE), these are as follows:<sup>4</sup>

- Policy coordination and environmental planning (sub-program 1), which is *responsible for ensuring that legislation, policies, programs, procedures and systems are established that will effectively empower and support the core functional programs of the Branch Environmental Affairs.*
- Compliance and enforcement (sub-program 2), which ensures that environmental legislation *is effectively used to protect the environment and its resources from unlawful and unsustainable exploitation.*
- Environmental quality management (sub-program 3), which *is comprised of Air Quality Management, Pollution and Waste Management, Environmental Impact Management and Climate Change.*
- Biodiversity Management (sub-program 4) *includes coastal resource use that is tasked to manage eco-systems and habitat for the benefit of the future generation (sic).*
- Environmental Empowerment Services (sub-program 5) *is tasked with ensuring that external stakeholders...are empowered and capacitated to meaningfully participate in and contribute to effective environmental management.*

### **Environmental Affairs budget detail**

Tables 1 and 2 overleaf provide Environmental Affairs budget details by economic classification and program respectively.

<sup>3</sup> *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Provincial Treasury. Table 9.8, p. 425.

<sup>4</sup> *Ibid*, pp 434 & 435.

**Table 1: Environmental Affairs budget by economic classification<sup>5</sup>**

(R' 000)	Audited			Main Budget 2011/12	Adjusted budget 2011/12	Revised estimate 2011/12	Medium-term estimate			Real Change between 2011/12 and 2012/13	Nominal Average Growth over MTEF	
	2008/09	2009/10	2010/11				2012/13	% change from Adjusted Appropriation 2011/12	2013/14			2014/15
<b>Current payments</b>	<b>46,173</b>	<b>55,026</b>	<b>64,962</b>	<b>66,109</b>	<b>70,539</b>	<b>70,812</b>	<b>76,156</b>	<b>7.96</b>	<b>73,635</b>	<b>78,053</b>	<b>4.23</b>	<b>0.82</b>
Compensation of employees	32,467	39,027	49,844	53,887	55,387	55,993	61,471	10.98	64,544	67,773	7.15	3.31
Goods and Services	13,706	15,999	15,118	12,222	15,152	14,819	14,685	-3.08	9,091	10,280	-6.43	-11.21
<b>Transfers and Subsidies to</b>	<b>100,450</b>	<b>103,861</b>	<b>157,634</b>	<b>143,594</b>	<b>147,809</b>	<b>146,049</b>	<b>188,570</b>	<b>27.58</b>	<b>159,438</b>	<b>169,004</b>	<b>23.17</b>	<b>-3.59</b>
Provinces and municipalities	450	1,361	9,164	2,037	3,952	2,192	3,000	-24.09			-26.71	-100.00
Departmental agencies & accounts	100,000	102,500	148,470	141,557	143,857	143,857	184,426	28.20	157,182	166,613	23.77	-3.33
Non-profit institutions							1,144		2,256	2,391		27.86
<b>Payments for capital assets</b>	<b>797</b>	<b>38</b>	<b>1,040</b>									
Machinery and equipment	797	38	1,040									
<b>Payments for financial assets</b>			<b>10</b>									
<b>Total economic classification</b>	<b>147,420</b>	<b>158,925</b>	<b>223,646</b>	<b>209,703</b>	<b>218,348</b>	<b>216,861</b>	<b>264,726</b>	<b>21.24</b>	<b>233,073</b>	<b>247,057</b>	<b>17.05</b>	<b>-2.28</b>

<sup>5</sup> Derived from Table 9.28: Summary of departmental payments and estimates by economic classification: Vote 9 – P3: Environmental Affairs in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Treasury, p. 435.

**Table 2: Environmental Affairs budget by program<sup>6</sup>**

(R' 000)	Audited			Medium-term estimate				% change from Adjusted Appropriation	Real Change between 2011/12 and 2012/13	Nominal Average Growth over MTEF		
	2008/09	2009/10	2010/11	Main Budget 2011/12	Adjusted budget 2011/12	Revised estimate 2011/12	2012/13					
Policy Coord'n & Env. Planning	388,862	45,038	56,844	62,952	30,655	30,707	16,559	-45.98	18,513	19,620	-47.85	5.82
Compliance & Enforcement	1,049	1,739	8,496	1,413	27,003	27,161	15,180	-43.78	13,598	14,418	-45.73	-1.70
Environmental Quality Mgmt	2,374	3,338	5,482	2,757	9,378	8,850	18,160	93.64	17,569	18,623	86.95	0.84
Biodiversity Mgmt	103,792	106,532	152,325	142,256	147,258	146,140	207,141	40.67	177,837	188,507	35.80	-3.09
Env. Empowerment Services	1,343	2,278	499	325	4,054	4,003	7,686	89.59	5,556	5,889	83.04	-8.49
<b>Total economic classification</b>	<b>147,420</b>	<b>158,925</b>	<b>223,646</b>	<b>209,703</b>	<b>218,348</b>	<b>216,861</b>	<b>264,726</b>	<b>21.24</b>	<b>233,073</b>	<b>247,057</b>	<b>17.05</b>	<b>-2.28</b>

<sup>6</sup> Derived from Table 9.27: Summary of departmental payments and estimates by programme: Vote 9 – P3: Environmental Affairs in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Treasury, p. 435.

## **Variances between 2011/12 and 2012/13 allocations<sup>7</sup>**

The Environmental Affairs 2012/13 budget has increased by R46,378 million, or 21,2%, relative to the 2011/12 adjusted budget.<sup>8</sup> Taking inflation into account, in accordance with Table 2, this percentage increase amounts to 17% in real terms.

This increase is attributable particularly to the rise in the allocation to the Biodiversity Management sub-program (sub-program 4) from R147,258 million to R207,141 million. This accords with the biodiversity focal area as articulated in DEDEAT's policy statement. Reference to the table reflecting transfers from the Department to public entities in the EPRE indicates that of this amount, R184,426 million is for routing to the Eastern Cape Parks and Tourism Agency.<sup>9</sup> In 2011/12 the equivalent transfer was constituted by an amount of R143,857 million. Hence this transfer amount has increased by R40,569 million, or 28,20% (23,7% in real terms). Of this increase, R30 million is earmarked for parks infrastructure, and R10 million for destination marketing<sup>10</sup>.

On the other hand, the allocation for Compliance and Enforcement has decreased from R27,003 million to R15,180 million. This is surprising, given that this is also a focal area in the policy statement. The budget for policy coordination and environmental planning has also decreased substantially, from R30,655 million to R16,559 million. The reasons for these reductions are unknown.

At the same time, Environmental Quality Management's budget has almost doubled, from R9,378 million to R18,160 million. Conceivably this can be ascribed to the policy imperatives of managing the effects of climate change, and promoting investment in clean energy technologies, but since this is not stated the Chief Directorate: Environmental Affairs should clarify the basis for this substantial change.

Environmental Empowerment Services receives R7,686 million, which represents a significant increase relative to its 2011/12 allocation of R4,054 million. Again, given the scale of the increase, its basis should be clarified by the Chief Directorate.

Although DEDEAT's budget provision for compensation of employees has increased by R30,974 million,<sup>11</sup> the bulk of this pertains to improving capacity in the public entity oversight function.<sup>12</sup> The equivalent provision for Environmental Affairs has increased by R6,084 million. No indication is provided on the filling of vacant Environmental Affairs posts. The most recent publicly available figures on vacancies within the Environmental Affairs programme are contained in its 2010/11 Annual Report. According to this account, at 31 March 2011 there were 402 posts attached to the programme, of which 191 were filled, resulting in a vacancy rate of 52,5%.<sup>13</sup>

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<sup>7</sup> Variances are shown in relation to 2011/12 adjusted budget amounts in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Treasury.

<sup>8</sup> Environmental Affairs variances as per Table 9.28, *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Treasury, p. 435.

<sup>9</sup> *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Treasury, Table 9.17, p.428.

<sup>10</sup> *Ibid*, Table 9.17, p.435.

<sup>11</sup> *Ibid*, Table 9.9, p. 426.

<sup>12</sup> *Ibid*, p. 426.

<sup>13</sup> DEDEAT 2010/11 Annual Report, p.151, Table 3.2.

### **Relative weightings of Environmental Affairs allocations**

As previously noted, the province's fiscal envelope for 2012/13 is R56,2 billion, of which R936,063 million is allocated to DEDEAT. Within DEDEAT R499,960 million, or 53,4% of the budget, is assigned to the Economic Development programme (programme 2). Environmental Affairs (programme 3) receives R264,726 million, or 28,3% of the departmental budget, with Administration (programme 1) taking up the balance of R171,377 million, or 18,3%.

The first issue which arises in relation to these figures is the size of the Environmental Affairs budget relative to the province's total fiscal envelope. A paltry 0,47% does not point towards the provincial government having regard for the fundamental life-supporting role of the environment as highlighted in the introduction to this analysis. In this sense the budgetary allocation mirrors the lip service afforded to environmental protection in the State of the Province address. In these circumstances one cannot envisage Environmental Affairs imposing itself within provincial government on a scale commensurate with the significance of its role as custodian of the province's environment.

Secondly, the division of the budget within DEDEAT raises questions about the institutional setting from which environmental governance has to be exercised, with reservations about the extent to which Environmental Affairs is able to assert itself within the provincial government as a whole recurring in relation to the respect and attention it is able to command within DEDEAT itself. The budget emphasis on Economic Development, coupled with the not inconsiderable apportionment to Administration (only 10% less than for Environmental Affairs) suggests that despite the coverage environment receives in the DEDEAT policy statement, Environmental Affairs may be hard-pressed to hold its own against demands emanating from the other departmental functions. This given especially the supremacy in both national and provincial policy instruments of imperatives to grow the economy, and the associated profile of political, strategic and operational issues which will invariably need to be dealt with at a top departmental management level in the course of oversight of this portfolio.

### **Environmental governance inside and outside protected areas**

Budget and importance issues are brought into even starker relief if one takes account of the portion of the Environmental Affairs budget which is channeled to the Eastern Cape Parks and Tourism Agency. At R207,141 million, the biodiversity allocation represents 78,2% of the total Environmental Affairs budget. Of this, 89%, equating to R184,426 million, or 69,6% of the total Environmental Affairs budget, is in turn transferred to the Agency for utilization within and related to protected areas. According to the overview in the EPRE, provincial protected areas comprise around 2% of the province's surface area.<sup>14</sup>

These figures bear repeating: 70% of the Environmental Affairs budget is directed towards 2% of the province's land, and this land, by virtue of its protected status, is in

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<sup>14</sup> *Eastern Cape Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Treasury, p. 422

any case generally not subjected to any, or at least many, of the environmental stresses which may be brought to bear on the remaining “unprotected” bulk of the province.

The 10,9% of the biodiversity management budget which is available for the unprotected area of the province amounts to R22,715 million. This is roughly of the same order as the respective budgets for sub-programs 1-3 (policy coordination and environmental planning, compliance and enforcement, and environmental quality management).

Viewed from a different angle, it can be said that the Environmental Affairs budget for the overwhelming proportion of the province which does not fall within provincial protected areas is effectively R80,300 million (being the balance of 30,3% after the transfer of 69,6% to the Parks and Tourism Agency). This is the equivalent of 16% of the Economic Development allocation. It moreover amounts to just 46,9% of the Department’s administration budget. The latter begs the analogy of the tail wagging the dog, and is consistent with numerous anecdotal accounts of environmental operations being hamstrung by an administrative system which is not sympathetic to the needs and nuances of the environmental governance function.

Taken further, the R80,300 million budget for environmental management outside of protected areas constitutes just 8,5% of the Department’s budget. It moreover represents 43,8% of the Department’s allocation to the Eastern Cape Development Corporation, and 60,6% of its transfer to the East London Industrial Development Zone. It is on a par with the sum of transfers to the Eastern Cape Liquor Board (R32,137 million), the Eastern Cape Gambling and Betting Board (R28,687 million) and the Coega Development Corporation (R18 million), viz. R78,824 million.

Viewed in this light, and taking account of the wealth which is the province’s natural environment, the R80,300 million seems on the thin side indeed. At this point the scanty reference to environment in the State of the Province Address becomes ever more understandable, and serious doubts about the profile of Environmental Affairs within DEDEAT itself are unavoidable.

### **Sub-program weightings**

Given, among others, its framing in DEDEAT’s policy statement, biodiversity management (sub-program 4) is obviously not only a priority within protected areas for the 2012/13 financial year. As previously indicated, the budget available for this function outside of protected areas amounts to R22,715 million. This constitutes 28,3% of the portion of the Environmental Affairs budget which is available for environmental governance outside of protected areas. On the other hand it represents 8,6% of the total Environmental Affairs budget, and 2,42% of the Department’s overall budget. Financially speaking, therefore, the sub-program could be viewed as enjoying reasonable status as far as environmental governance outside of protected areas is concerned, but not so when ranked alongside the program’s overall budget, and even less so when viewed through the lens of the Department’s total budget package.

This situation is accentuated in the case of the second policy priority focal area, viz. compliance and enforcement. The R15,180 million apportioned to this sub-program (sub-program 2) constitutes 18,9% of program funding for environmental governance outside of protected areas, which is perhaps not unrespectable provided that this amount does

not have to cover litigation costs incurred for prosecutions, and other related legal costs. But at 5,7% of the total program budget, and 1,62% of that of the Department as a whole, the term “priority” is clearly very much a relative one.

Moving on to the Environmental Quality Management sub-program (sub-program 3), which embraces the third policy priority of mitigating climate change and promoting investment in clean energy technology, we have an allotment of R18,160 million, which is 22,6% of the program budget for the portion of the environment which falls outside of protected areas, 6,8% of the total program budget, and 1,94% of that of the Department.

In the first instance, it is puzzling that biodiversity management outside of protected areas attracts a higher allotment than sub-program 3. Crucially, the sub-program includes the responsibility for evaluating applications for authorization of activities which are subject to environmental impact assessment processes. This function, viz. Environmental Impact Management, arguably stands out as the one most cardinal to the state of the province’s environment, given, among others, the environmental implications of the state’s development and economic growth priorities as spelled out in the various policy statements already alluded to.

Environmental Impact Management is a high-pressure aspect of the Department’s work, yet based on its relative budget allocation within both Environmental Affairs and the Department itself, one has the impression that it does not enjoy particular status. This is reinforced by the fact that the sub-program 3 allocation also has to cater for the policy priority of climate change mitigation and clean energy technology promotion, which falls within a separate working domain from that of Environmental Impact Management. The allocation moreover has to cover the Air Quality Management and Pollution and Waste Management functions. All-told, therefore, one has the impression that the sub-program remains under-resourced, notwithstanding the significant increase in its budget for 2012/13 as dealt with elsewhere in this document. The under resourcing of Environmental Impact Management is rightly acknowledged by the Department in its 2012/13 – 2014/15 Annual Performance Plan where it states:

*“The Department will lobby vigorously for the proper and adequate resourcing of its environmental protection mandate. Continued under resourcing of this vital aspect of the department’s work undermines the department’s ability to execute its mandate and perpetuates environmental degradation.”<sup>15</sup>*

As far as policy coordination and environmental planning (sub-program 1) is concerned, R16,559 million represents 20,6% of the program budget for activities outside of protected areas, and 6,2% of the total program budget. It is difficult to comment on this allocation since it is not directed towards a specific legislative mandate along the lines of those of the sub-programs discussed above. It is understood that the sub-program effectively covers the activities of top program management personnel based at the Department’s head office, and the costs of special projects and suchlike which take place under their auspices. That said, and given the strategic level associated with the sub-program, at 1,77% the proportion of the Department budget it constitutes appears modest.

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<sup>15</sup> Eastern Cape Department of Economic Development, Environmental Affairs and Tourism Annual Performance Plan 2012/13 – 2014/15, 22 March 2012 at p.12.

Environmental Empowerment Services is likewise a program without an explicit legislation-based mandate. As such it is also difficult to pronounce on its budget allocation. For what its worth, R7,686 million constitutes 9,5% of the program's budgeted amount for activities outside of protected areas, and 2,9% of the total Environmental Affairs budget. This is a mere 0,82% of the Department's budget.

### **Weightings against the total provincial budget**

These weightings present definitive insight to the relative importance afforded to the environment on a provincial scale.

Accordingly, when expressed as a percentage of the total provincial fiscal envelope of R56,2 billion, Environmental Affairs allocations are as per Table 3 below:

**Table 3: Environmental Affairs allocations as a percentage of the total provincial fiscal envelope**

<b>Budget element</b>	<b>% of Fiscal Envelope</b>
Total program budget	0,47
Allocation to Parks and Tourism Board	0,33
Environmental management outside of protected areas	0,14
Policy coordination and environmental planning	0,03
Compliance and enforcement	0,03
Environmental quality management	0,03
Biodiversity management	0,04
Environmental empowerment services	0,01

Once again these figures align with the miniscule and superficial coverage environmental governance received in the 2012 State of the Province Address. It is inevitable that an area of governance which attracts such menial budgeting will occupy no more than a minor placing in the state's discourse with its people.

That said, in view of the profile which environment has rightfully and belatedly attained on the global stage in recent times, and taking particular account of the country's role over the past two decades in international efforts to bring human evolution into conformance with the limits of our life-support systems (including hosting COP 17 and the World Summit for Sustainable Development), one cannot but have the impression that the allocations we are looking at simply do not match up to the scale of the environmental challenges we face in the province.<sup>16, 17</sup>

The limitations of viewing the Environmental Affairs allocations in both absolute terms and in relation to the overall provincial budget package are acknowledged. So are the discrepancies which automatically arise from the different complexions of the various

<sup>16</sup> Griffiths & Dowling, *The Eastern Cape Environment : Problems and People-centred Solutions in The Fate of the Eastern Cape: History, Politics and Social Policy*, published in 2011 by the University of Kwazulu Natal Press. See Chapter 11 at pages 173 to 183. Edited by Greg Ruiters.

<sup>17</sup> *Eastern Cape State of the Environment Report 2004*, produced for DEDEAT by CSIR.

services which the state renders - it is recognized that some services are by their very nature more expenditure-intensive than others. Nevertheless, the figures appear to represent massive disjuncture between, on one hand, the global consensus which prevails, at state leadership level, on the imperative for humans to fundamentally change the way they relate to the environment, and on the other, conversion of this discourse into interventions at the scale required to arrest our present trajectory.

This is the heart of the environmental conundrum, and, as is the case to varying degrees everywhere, it is playing itself out in the Eastern Cape. States position themselves as champions of the environmental dilemma, and espouse policy options which supposedly talk to macro-scale dramas like climate change. But they do so in a vacuum, since at a local scale, authorities fail to meet elementary environmental challenges. And if they cannot conduct their routine operations in a manner which is visibly effective and achieves significant gains for the state of the environment, how are they to address higher-level challenges such as mitigating the effects of climate change? At the risk of stating the obvious, these higher-level issues exist precisely because admirable systems at more foundational levels have not been adequately implemented.

It is trite to state that to informed observers the environmental governance performance of DEDEAT leaves a lot to be desired. As has been pointed out, the Department's policy statement acknowledges that the earth is in environmental crisis. The Department's Annual Performance Plan for the 2012/13 to 2014/15 period likewise makes reference to environmental challenges which we face.<sup>18</sup> Nevertheless, mirroring the disjuncture at a global level, there is a chasm between what needs to be done to secure the province's environment, and what is being done. Deep systemic barriers appear to prevent adequate resources and capacity being mobilized to confront the crisis at an incisive level.

To progress towards achieving this end, the status of the Chief Directorate: Environmental Affairs as a minor player in the provincial government, as reflected by its budget, institutional setting and profile in public discourse, needs to be elevated to a level commensurate with the profound importance of its function. Firstly it needs a realistic budget for dealing with environmental management outside of protected areas. If and when the organization is performing at levels which consistently engender high levels of compliance with environmental law and order across the province, and decision-making in relation to land usage and the exploitation of natural resources is convincingly premised on principles of renewal and sustainability, pronouncements in relation to matters such as climate change will begin to take on substantial meaning. But in the circumstances of the program's current performance, they unfortunately ring hollow.

It is recognized that an overnight increase in budget in accordance with the approach mooted here, apart from being highly unlikely, will not in its own right necessarily elicit upliftment of the programme's output along the lines as urged. Rather, one would wish to see budget enhancement as representing merely the financial manifestation of a deeper revitalization of environmental governance, carried out together with vigorous rebranding, and the repositioning of the function into its rightful space in line with its essential value as protector of the basis for all life in the province.

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<sup>18</sup> Eastern Cape Department of Economic Development, Environmental Affairs and Tourism Annual Performance Plan 2012/13 – 2014/15 dated 22 March 2012 at pages 9 to 12.

Within this context, reviewing the scale and structure of the budget should be synonymous with interrogation of the institutional setting, structure, staffing and leadership of the program. In this regard, it is contended that honest evaluation of the present gulf between what is required and what is being achieved could not but result in significant changes to the fabric of Environmental Affairs.

The probability of any of this happening in the short-term, if at all, is, again, not high – one merely has to have regard for the State of the Province Address to appreciate as much. On top of this, it is conceivable that for as long as Environmental Affairs remains in the shadow of the Economic Development programme within DEDEAT, it will not be able to step out of its present mould and regroup as demanded by the threats to the province's environment. The environmental pronouncements in the Department's policy statement are laudable, but they lack regard for the extent to which Environmental Affairs is failing in the exercising of its basic duties. Indeed, they actually detract from the enormity of the challenges faced by Environmental Affairs in meeting even its most basic responsibilities. This lack of grasp is inevitable in an institutional structure where top leadership is simultaneously concerned with growing the economy.

There is relative coherence between the respective policy thrusts of national and provincial government for this budget year, but the hiatus in effective ground-level environmental governance is common to both tiers of government. The gulf between rhetoric and decisive action is a thread which runs from global to provincial level through the national environmental affairs department.

One of many reasons why a directional shift in keeping with the approach outlined here is unlikely is that the provincial government would surely not be inclined to pursue a budgeting and structural path which is substantially different from that of the national department. Be this as it may, the environmental crisis demands dynamic leadership and vision, and if that means the province must go it alone, so be it. Any road other than the high one will surely result in attrition which progressively and ever more irreversibly exceeds the resilience of the province's environment.