

2013/14 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

In keeping with its complexion for the 2012/13 financial year, the 2013/14 budgetary allocation to the Chief Directorate: Environmental Affairs comprises a mere 0,49% of the province's total fiscal envelope. This affirms perceptions that the Eastern Cape Provincial Government does not have appropriate regard for the scope and implications of the global environmental crisis, from which the Eastern Cape is not excepted.

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 compelling need to arrest the decline in environmental integrity at both a global and provincial level.

Finding 2

Given the limitations of its budgetary dispensation, one cannot envisage Environmental Affairs imposing itself within the Provincial Government on a scale which is commensurate with the significance of its function as custodian of the Province's environment, more so in circumstances where that Government is deeply preoccupied with economic growth, and appears to lack appreciation for the environmental realities which accompany it.

Recommendation

Environmental Affairs should be afforded a budgetary 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

Despite the fact that provincial nature reserves comprise only 2% of the province's land surface area and already enjoy enhanced levels of protection, 66% of the Environmental Affairs budget is channelled to the Eastern Cape Parks & Tourism Agency for nature reserve-related utilization. Effectively therefore only 0,17% of the provincial fiscal envelope and 34% of Environmental Affairs' budget respectively are available for the Chief Directorate to deliver its core services, which revolve around the administration of a host of statutory provisions, and the fulfillment of numerous functions which are ancillary to and support such administration, across the length and breadth of the Province.

Recommendation

The Eastern Cape Government's approach to environmental governance budgeting needs to be substantially overhauled with a view to the achievement of more realistic correlation between expenditure and the substantive and spatial extent of Environmental Affairs' mandate.

Finding 4

In circumstances where environmental governance outside of nature reserves constitutes just 9% of DEDEAT's budget, it is difficult to imagine that protecting the integrity of the Province's environment as a whole enjoys the priority it deserves within Environmental Affairs' own parent department, more so given the inherent potential for economic development and environmental protection imperatives to clash, and the fact that DEDEAT is simultaneously charged with promoting economic growth on behalf of the Provincial Government.

Recommendation

Environmental Affairs needs to be rehoused institutionally so that it can pursue the protection of the Province's environment as a fundamental governance priority in its own right, rather than as an adjunct to DEDEAT's economic development agenda.

Finding 5

The paltry budget for environmental governance outside of protected areas means that none of the Environmental Affairs Sub-programs attract more than five one-hundredths of a percent of the provincial fiscal envelope for fulfilling their respective responsibilities within this domain. With the Sub-programs embracing functions such as environmental impact assessment, law enforcement, coastal management, biodiversity conservation and environmental education, these allocations place spiraling environmental attrition in the Province in stark perspective.

Recommendation

The Provincial Government needs to obtain insight to the environmental maladies which wrack the Province, and adjust its budgeting paradigm such that governance activities which are designed to address them can deliver incisive results.

Finding 6

Budget has again been assigned for climate change impact mitigation and adaptation, which is regarded as 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 the assignment of funds to higher-level issues such as climate change.

2012/13 Budget Analysis as a benchmark

Primary outcomes of PSAM's analysis¹ of the Chief Directorate's 2012/13 budget were as follows:

- The Environmental Affairs budget comprised a mere 0,47% of the province's total fiscal envelope.
- 70% of the budget was earmarked for direct channeling to the Eastern Cape Parks & Tourism Agency (ECPTA) for provincial nature reserve-related utilization, even though such reserves comprise only 2% of the province's land surface area, and already enjoy enhanced protection.
- In fact therefore only 0,14% of the Eastern Cape Provincial Government's budget was allocated to the task of fulfilling its environmental governance mandate across the bulk of the Province.

These outcomes have been used as a benchmark for the 2013/14 analysis. The acid test for the 2013/14 budget is whether or not it is of the same overall complexion as that of the 2012/13 budget. If it is, the significance of finer-scale budget detail will be diminished, but such detail will be scrutinized regardless. As per the 2012/13 analysis, the 2013/14 State of the Province Address, the provincial Budget Speech and the Policy Statement issued by the MEC for Economic Development, Environmental Affairs & Tourism will also be examined from an environmental governance perspective.

2013/14 budget allocations

In view of PSAM's primary findings in relation to the 2012/13 budget, the pertinent facts of the 2013/14 budget are as follows:

- The total provincial fiscal envelope is R59 200 000 000.²
- Out of this DEDEAT has been allocated an amount of R1 070 858 000.³

¹ <http://www.psam.org.za/outputs/Budget%20Analysis%201%2009%202012-13.pdf>

² *2013 Eastern Cape Budget Speech*, MEC Phumulo Masualle, p. 23.

- DEDEAT's Program 3, which embraces the activities of the Chief Directorate: Environmental Affairs, receives R291 269 000.⁴
- 65,8% of the Program 3 budget, amounting to R191 543 000, is earmarked for transfer to the ECPTA.⁵
- The Eastern Cape Provincial Government's 2013/14 budgetary allocation for all environmental governance functions other than nature reserve management is effectively therefore R99 726 000, which amounts to 0,168% of the total provincial fiscal envelope.

The relationships between key budget allocations and the total provincial budget are summarised in Table 1 below, while Table 10 indicates Program 3's budgetary dispensation across the medium-term expenditure framework from an economic classification perspective.⁶

Table 1: DEDEAT & Environmental Affairs budgets as percentages of the total provincial fiscal envelope.

Entity	Allocation (R)	% of fiscal envelope
EC Provincial Government	59 200 000 000	100
DEDEAT	1 070 858 000	1,81
Environmental Affairs	291 269 000	0,492
Environmental Affairs excluding transfer to ECPTA	99 726 000	0,168

On the basis of the figures outlined here it is evident that the overall complexion of the 2013/14 Environmental Affairs budget is more or less identical to that of the 2012/13 budget. The Eastern Cape Government has again issued a resounding statement of the premium it attaches to the environment, by making available less than a half of a percent of its total budget package for the discharging of its environmental mandate, and, by the same token, allocating less than a fifth of a percent of it to Environmental Affairs in order for it to deliver its core services across the length and breadth of the Province. These services revolve around the administration of a host of statutory provisions, and the fulfillment of numerous functions which are ancillary to and support its core functions.

In its 2012/13 analysis PSAM noted that that year's budgetary dispensation, which was announced in the aftermath of South Africa's hosting of the 17th Conference of the Parties (COP 17) to the United Nations Framework Convention on Climate Change, did *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.* Likewise it was pointed out

³ *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Provincial Planning and Treasury, Table 1, p. 571.

⁴ *Ibid*, Table 4, p. 580.

⁵ *Ibid*, Table 9, p. 583.

⁶ Derived from Table 19: Summary of departmental payments and estimates by economic classification: P3 - Environmental Affairs in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, p. 592.

that in the circumstances one could *not 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.*⁷ Clearly these observations are equally applicable to the 2013/14 budget.

PSAM correspondingly recommended that the Provincial Government *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.*⁸ Indeed, the province is wracked with a host of environmental maladies which are inextricably linked with deep environmental governance inadequacies.^{9,10} DEDEAT has itself signaled in recent times that under-resourcing limits the extent to which it can fulfill its environmental protection mandate,^{11,12} but since its communication in this regard has obviously not elicited any meaningful response from its parent structures to date, our 2012/13 recommendation remains valid, and also has to be reiterated here.

State of the Province Address

The 2012/13 and 2013/14 State of the Province Addresses provide insight to those financial years' Environmental Affairs budgets. PSAM's 2012/13 budget analysis noted that *a pessimistic reading of the 2012 State of the Province Address suggested that the Provincial Government seeks to place the environment firmly in its place as a "nice to have" when not inconvenient to (its) stated priorities.*¹³ The environment was clearly not one of these priorities, receiving as it did but one solitary reference, which was nested within an account of progress in implementation of the goal of *building social and economic infrastructure*. In outlining the job creation, investment and economic development benefits of the environmentally contentious N2 Wild Coast road development scheme, it was indicated that *".....in as much as the government champions nature conservation, we have an obligation to balance the protection of environmentally sensitive areas with economic development and job creation."*¹⁴

At face value the 2013 Address could perhaps be regarded as affording slightly more due to environmental considerations, but on closer examination its complexion is little different from that of 2012, albeit that its target audience embraces the citizenry of *our beautiful Province.*¹⁵ The only direct reference to environmental management again pertains to the Wild Coast. In outlining the Integrated Wild Coast Development Initiative, and noting national government's support for the designation of the Wild Coast as a new Special Economic Zone, it is noted that *the strategic intent is to crowd-in (sic) public infrastructure and private investment into first-order nodes.....while at the same time reinforcing environmental management to protect the region's globally recognized*

⁷ DEDEAT *Budget Analysis 2012/2013*, Public Service Accountability Monitor, pp. 1-2.

⁸ *Ibid*, p. 1.

⁹ DEDEAT *Strategic Plan Evaluation 2012/13*, Public Service Accountability Monitor p. 17.

¹⁰ DEDEAT *Budget Analysis 2012/2013*, Public Service Accountability Monitor, pp. 14-16.

¹¹ DEDEAT *Strategic Plan for the Fiscal Years 2010/11-2014/15*, p. 20.

¹² DEDEAT *Annual Performance Plan 2012/13-2013/14*, p. 12.

¹³ DEDEAT *Budget Analysis 2012/2013*, Public Service Accountability Monitor, p. 5.

¹⁴ Eastern Cape *State of the Province Address 2012*, Premier Noxolo Kiviet, p. 11.

¹⁵ Eastern Cape *State of the Province Address 2013*, Premier Noxolo Kiviet. p.2.

<http://www.ecprov.gov.za/index.php?module=documents>.

environmental status.¹⁶ This environmental statement sounds commendable, but the fact of the matter is that as was the case in 2012, it is again couched in terms which reflect the environment as a factor to be taken into consideration within the context of economic and infrastructural aspirations, rather than one which commands attention in its own right, much less one which is overridingly fundamental to the very existence of all life in the Province.

Similarly, the manner in which the priority of *making the Eastern Cape the green energy province of South Africa* is articulated suggests that it too is not in the first instance an environmental goal, with references to *green economy investments in sectors such as wind, solar, biofuel & biomass*¹⁷ reflecting the fact that it is essentially an economic priority. In any case, aside from the fact that some of these investments actually have significant negative environmental implications of their own, green economy ambitions lack credibility when viewed against environmental governance failures at a basal level, as already alluded to. On the other hand the reference in the Address to the Expanded Public Works Programme's activities within the environmental sector is steeped strictly within the context of job creation.¹⁸

Hence together with the 2013/14 budget allocation for environmental governance, the 2013/14 State of the Province Address entrenches the perception that the Provincial Government views the protection of environmental integrity as a relatively unimportant addendum to more pressing governance imperatives, rather than as a fundamental priority in line with the status afforded to it in the country's Constitution¹⁹.

Budget Speech

Environmental governance did not receive mention in the 2012/13 budget speech, although the green economy did feature, having been identified as one of six focal points for job creation. The environment certainly receives more coverage in the 2013/14 budget speech, but as with the State of the Province Address, the manner in which it is framed reinforces doubt about the premium which is attached to it.

Significantly, although seemingly devoid of intentional environmental governance inference, there is mention in the speech's opening paragraphs of the devastation of infrastructure by *mother-nature*²⁰ (sic), in the form of floods during 2012. On the other hand, one of the six underlying key proposals in terms of which the budget has been crafted includes that *the vast natural resources.....of our province must be mobilized in a manner that is closely aligned to our growth and development objectives*. This is however tempered by the provision that in prioritizing the population's access to high quality social services, *it is equally important to mainstream the objective of environmental sustainability, and in particular, the implications of climate change in all our public policies and across all sectors of our economy*.²¹ And in predicting an increase in the contribution of the tourism sector to the Province's economy, and making

¹⁶ Eastern Cape State of the Province Address 2013, Premier Noxolo Kiviet. p.16.

¹⁷ *Ibid*, p.7.

¹⁸ *Ibid*, p. 9.

¹⁹ Constitution of the Republic of South Africa, 1996, Section 24.

²⁰ 2013 Eastern Cape Budget Speech, MEC Phumulo Masualle, p. 2.

²¹ *Ibid*, p.4.

reference to the allocation to the Eastern Cape Parks & Tourism Agency, it is noted that *the Eastern Cape has a significant comparative advantage given our vast and unique endowment of nature.*²²

But in presenting DEDEAT's budget for the 2013/14 financial year, it is indicated that the allocation is for

- *Attraction and retention of manufacturing businesses in diversified priority sectors in the two industrial development zones;*
- *Enhancing support to SMMEs and Co-operatives throughout the Province;*
- *Increased focus on agro-processing, especially in rural areas; and*
- *Attraction and retention of manufacturing businesses in diversified priority sectors in the two industrial development zones.*²³

This exclusively economic bias appears to belie the value attached to the environment when the rhetoric is said and done: it is essentially viewed in economic utilitarian terms, and not in relation to its intrinsic value, again as provided for in the Constitution. In any case at the end of the day the size of the budget allocated to environmental governance, and not rhetoric, reflects the Eastern Cape Government's perception of the value of protecting the environment.

Environmental Affairs allocation within the context of DEDEAT budget

The reservations PSAM expressed in its 2012/13 budget analysis about Environmental Affairs' ability to impose itself within the Provincial Government as a whole were mirrored by concerns about its status within DEDEAT itself. Specifically, it was noted that while environmental pronouncements in the Department's policy statement for that financial year were laudable, they lacked regard for the extent to which the Chief Directorate was failing in the exercising of its basic duties, and in fact actually detracted from the enormity of the challenges faced by Environmental Affairs in meeting even its most elementary responsibilities. This lack of grasp was regarded as *inevitable in an institutional structure where top leadership is simultaneously concerned with growing the economy.*²⁴

It can be postulated that institutionally Environmental Affairs is challenged on three levels. In the first instance it is a component of a Provincial Government which is deeply preoccupied with economic growth, and seemingly has little appreciation of environmental realities. Indeed, the departmental index on the Provincial Government's website home page refers to DEDEAT merely as the Department of Economic Development.²⁵ Secondly, it is based within the Department which is specifically charged with promoting economic growth on behalf of that Government. Given the disposition of the Provincial Government towards the environment, this institutional setting hardly appears conducive to the Chief Directorate asserting itself within its own Department in the face of the array of environmental implications which tend to be associated with the

²² 2013 Eastern Cape Budget Speech, MEC Phumulo Masualle, p. 2.

²³ *Ibid*, p. 29.

²⁴ DEDEAT Budget Analysis 2012/2013, Public Service Accountability Monitor, p.16.

²⁵ <http://www.ecprov.gov.za/>

promotion of economic development.²⁶ Lastly, any notions of Environmental Affairs punching above its weight and making its presence felt despite these two layers of institutional marginalization must surely be dispelled by reference to its budgetary dispensation relative to those of the other components of DEDEAT.

In this regard, Table 2 indicates how DEDEAT's budget is distributed across its three programs.

Table 2: Distribution of DEDEAT budget across Departmental programs

Program	Name	Allocation (R'000)	% of Department budget
1	Administration	205 292	19,2
2	Economic Development	574 297	53,6
3	Environmental Affairs	291 269	27,2
Total		1 070 858	100

From this depiction it can be seen that Environmental Affairs receives not much more than a quarter of DEDEAT's budget, and not significantly more than the Administration Program's budget. It moreover only receives around half of the allocation afforded to the Chief Directorate: Economic Development.

This is disturbing in view of reservations about Program 3's institutional setting, and the concomitant restriction it may impose on Environmental Affairs' ability to assert itself both in specific situations where economic and environmental considerations collide, as well as in the general economic growth-dominated milieu propagated by the Provincial Government. Such doubts are however compounded considerably when one takes into account that a major share of Program 3's budget is not actually utilized for dealing with the myriad environmental challenges which play out continually across the length and breadth of the Province, but is in fact channeled into the management of provincial nature reserves, which constitute only some 2% of the province's surface area.

In the light of the transfer to ECPTA, a more realistic tabulation than Table 2, from an environmental governance perspective, is provided below.

Table 3: Distribution of DEDEAT budget across Departmental focal areas

Focal area	Allocation (R'000)	% of Department budget
Administration	205 292	19,2
Economic Development	574 297	53,6
Environmental governance outside of nature reserves	99 726	9,3
Nature reserve management	191 543	17,9
Total	1 070 858	100

The highlighted figures in Table 3 should dispel any doubts about the challenge faced by Program 3 in maintaining environmental governance outside of nature reserves on or near the top of DEDEAT's agenda, never mind that of the Eastern Cape Government as

²⁶ DEDEAT *Budget Analysis 2012/2013*, Public Service Accountability Monitor, pp. 11 & 15-16.

a whole. With less than 10% of the Department's budget being assigned to cover this aspect of its mandate, there surely have to be some profound misconceptions in its senior echelons about the nature of the global environmental crisis, how it is manifesting in the Province, and what is required to address it. Aside from being overshadowed both politically and financially by the economic development portfolio, the essential task of fending off spiraling environmental attrition in the Province attracts less than half the budget allocated to the department's administrative division – a classic case of the tail wagging the dog, as pointed out in PSAM's 2012/13 budget analysis.²⁷

Weighting of allocation for environmental governance outside of nature reserves relative to DEDEAT transfers to public entities

An examination of the suite of budget transfers made by DEDEAT to public entities which fall under its auspices provides insight to where the Department's priorities lie, as well as to the interests against which environmental governance outside of protected areas needs to compete within its parent structure. The entities are ECPTA, as already discussed, and the Eastern Cape Development Corporation (ECDC), the East London Industrial Development Zone (ELIDZ), the Coega Development Corporation (CDC), the Eastern Cape Gambling and Betting Board (ECGBB) and the Eastern Cape Liquor Board (ECLB). With the exception of the ECPTA, which falls under the auspices of Program 3, the entities reside under Program 2, viz. Economic Development.

The transfers to the entities are viewed below in relation to the budgetary dispensation for environmental governance outside of protected areas.

Table 4: DEDEAT transfers to public entities relative to allocation for environmental governance outside of provincial nature reserves.

Transfer to	Amount (R'000)	% of DEDEAT budget
ECDC	188 404	17,6
ELIDZ	112 407	10,5
CDC	82 750	7,7
Combined transfer to ECGBB & ECLB	83 818	7,8
Sub-total: Program 2 transfers	467 379	43,6
ECPTA	191 543	17,9
Total DEDEAT transfers	658 922	61,5
Allocation for environmental governance outside of nature reserves	99 726	9,3

The table reveals that transfers to entities which fall under the auspices of Program 2 comprise 43,6% of DEDEAT's budget, compared with the 9,3% which is available for environmental governance outside of protected areas. ECDC's allocation is almost double that provided for Environmental Affairs' core functions, while transfers to the ELIDZ and the CDC respectively are of around the same order. Ironically, these Program 3 functions attract a budget which is not much more than the sum of allocations associated with liquor and gambling activities.

²⁷ DEDEAT Budget Analysis 2012/2013, Public Service Accountability Monitor, p. 12.

These figures resonate with the unequivocal picture which has already emerged in this analysis of the lowly importance attached to environmental governance by both the Provincial Government as a whole, and DEDEAT. In 2012 PSAM recommended that *Environmental Affairs 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.*²⁸ Clearly this recommendation applies equally in 2013

DEDEAT Policy Statement

The marginalisation of environmental governance within DEDEAT is reflected in the 2013/14 policy statement issued by the MEC for Economic Development, Environmental Affairs & Tourism.²⁹ In describing DEDEAT's progress since the present provincial cabinet was installed in 2009, ten out of eleven highlighted achievements pertain to economic affairs, and only one to the environment. And perhaps unsurprisingly, given the overwhelming budgetary bias towards nature reserves, the single environmental highlight is that the Department has *increased the amount of land and ocean under protection, securing the existence of ecosystems and species for future generations.*³⁰ The achievement list invariably also includes the statement that DEDEAT has *entrenched the concept of the Green Economy as a sustainable alternative to highly consumptive, resource-depleting practices,*³¹ but as previously posited, this is in the first instance as an economic priority and not an environmental one.

"Affirmation" is the theme of the policy statement, one of the offered affirmations being that a greener future is achievable,³² while climate change inevitably features in the context which is set out for the policy statement.³³ Over and above affirming previous policy directions, five policy dimensions are articulated for 2013/14. *Building a greener economy* constitutes one of them, while *sustaining the environment* is another. With regard to the latter it is stated that *we continue to drive a sustainable development agenda which seeks to facilitate well-informed development decisions, while protecting and managing biodiversity, combatting environmental crime, and mitigating and managing the impact of climate change.*³⁴

Progress with existing initiatives is reported from three perspectives, viz. *business model, provincial (spatial) economy and environmental sustainability.* The business model report covers three elements, viz. *right people, right structure and right partners.* Interestingly the first two elements cover environmental matters only, but once again they pertain to nature reserve management: under *right people* the Green Scorpions are lauded, but for having *driven criminals from the protected areas of the Eastern Cape,*

²⁸ DEDEAT *Budget Analysis 2012/2013*, Public Service Accountability Monitor, p. 1.

²⁹ DEDEAT *2013-14 Policy Statement*, MEC Mcebisi Jonas, 19 March 2013.

<http://www.dedea.gov.za/Speeches/Policy%20Speech%202013%20-%20MEC%20Jonas.pdf>

³⁰ *Ibid*, p. 4.

³¹ *Ibid*, p. 3.

³² *Ibid*, p. 4.

³³ *Ibid*, p. 5.

³⁴ *Ibid*, p. 6.

while it is boasted that *not a single rhino was lost on an Eastern Cape Provincial Reserve*. Similarly, the highlighted achievements under *right structure* are the amalgamation of the provincial Tourism and Parks Boards into the ECPTA, and the resultant new organisational structure.³⁵

Based on their extent alone, the *provincial economy* and *environmental sustainability* progress reports emulate the disparity between the economic development and environmental protection budget allocations, and drive home the reservations articulated repeatedly in this analysis about the relative importance afforded to the environment, particularly within DEDEAT: whereas *provincial economy* achievements enjoy no less than 142 lines of reportage,³⁶ *environmental sustainability* receives a mere 30.³⁷ This relationship is more or less duplicated in the policy statement's indication of future plans, with economic development activities occupying 125 lines of coverage,³⁸ as opposed to the 36 garnered for environmental intentions.³⁹

As far as content is concerned, the *environmental sustainability* progress report refers to the same three elements which were highlighted in the environmental policy dimension, viz. protection and management of biodiversity, the combatting of environmental crime, and management of the impact of climate change. But other than mention of *the efforts of DEDEAT to develop an integrated spatial plan for the (Wild Coast) Coastal Conservation Corridor*, and the support of *the Wild Coast Project* in this endeavor, biodiversity-related coverage pertains exclusively to ECPTA activities. At the same time environmental crime coverage is restricted to references to the appointment of honorary nature and environmental conservators, and to rhino poaching and cycad smuggling. The latter two phenomena comprise an extremely limited window of transgressions, given the span of environmentally unlawful activities which prevails across the Province. Which lawlessness, incidentally, together with inter-related environmental governance failures at a basal level as already alluded to, discredit the reported progress within the realm of climate change impact mitigation.

Environmental sustainability plans are outlined for the same three sectors against which progress was reported, prompting the question as to why these are consistently elevated above other aspects of environmental management, such as the disciplines of environmental impact assessment and coastal management, which are arguably as crucial, if not more so, than at least some of these sectors. Be this as it may, again there is an emphasis on protected areas under biodiversity conservation coverage, while reference to an aquaculture project at the ELIDZ as *a clear demonstration of biodiversity management with economic benefits* appears to represent as clear a demonstration of Environmental Affairs' cooption into DEDEAT's economic development agenda. Besides which the reason for the trumpeting of the aquaculture project is unclear, given that aquaculture is primarily the preserve of national and not provincial government. Little is said about the combatting of environmental crime other than that work will continue, while comment above on the credibility of climate change impact mitigation progress also applies to planning pronouncements in relation to this sector. Curiously, however, it is noted that these pronouncements include mention of municipal waste infrastructure

³⁵ *DEDEAT 2013-14 Policy Statement*, MEC Mcebisi Jonas, 19 March 2013, p. 7.

³⁶ *Ibid*, pp. 7-12.

³⁷ *Ibid*, pp. 12-13.

³⁸ *Ibid*, pp. 14-17.

³⁹ *Ibid*, pp. 18-19.

challenges and the Umzimvubu Catchment Management Partnership, the precise relationships of which to climate change are unclear.

Ominously, in its concluding provisions the policy statement quotes a philosophical notion concerning the procession of evolution from “*the vague*” to “*the definite*,” and notes that the Department’s policy direction has arrived at the latter. On the back of this it is asserted that *we are now in a strong position to engage with the desirability of emerging opportunities such as hydraulic fracturing and nuclear energy, and support industrial developments that are consistent with our overall policy direction.*⁴⁰ Given the environmental sensitivities associated with fracking and nuclear energy it is contended that the references to them are out of place in a policy statement which purports to embrace environmental protection. They are however perhaps fitting in the sense that even without them the policy statement is an indictment of DEDEAT from an environmental governance perspective, with its protected area and climate change preponderances in particular prompting a re-questioning of the Department’s political and top executive leadership’s grasp of fundamental environmental realities which prevail in the Province. Regrettably, alignment between the paltry budget allocation afforded to environmental governance outside of protected areas, and its unimpressive coverage in the policy statement, appears all too clear.

Environmental Affairs Sub-program budgets

Program 3 consists of five sub-programs, which are described as follows in the Estimates of Provincial Revenue and Expenditure for 2013/14 (EPRE):⁴¹

- Sub-program 1, Environmental Policy, Planning and Coordination 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 Environmental Affairs Branch.*
- Sub-program 2, Compliance and enforcement, has the responsibility of *ensuring that environmental legislation is effectively used to protect the environment and its resources from unlawful and unsustainable exploitation.*
- Sub-program 3, Environmental quality management, *is comprised of Air Quality Management, Pollution and Waste Management, Environmental Impact Management and Climate Change.*
- Sub-program 4, Biodiversity Management, *aims to conserve the diversity of landscapes, ecosystems, habitats, biological communities, populations, species (sic) and genes, and promote conservation and sustainable use of natural resources.*

⁴⁰ DEDEAT 2013-14 Policy Statement, MEC Mcebisi Jonas, 19 March 2013, pp. 20-21.

⁴¹ Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14, Eastern Cape Provincial Planning and Treasury, p. 591.

- Sub-program 5, Environmental Empowerment Services, is tasked with ensuring that external stakeholders are empowered and capacitated to meaningfully participate in and contribute to effective environmental management.

Table 11 indicates Program 3's budgetary dispensation across the medium-term expenditure framework from a sub-program perspective,⁴² while Table 5 below utilizes data from Table 11 to solely reflect 2013/14 sub-program allocations.

Table 5: Distribution of Environmental Affairs budget across sub-programs

Sub-program	Name	Allocation (R'000)	% of Chief Directorate budget
1	Environmental Policy, Planning and Coordination	18 874	6,5
2	Compliance and enforcement	21 930	7,5
3	Environmental quality management	21 904	7,5
4	Biodiversity Management	218 416	75,0
5	Environmental Empowerment Services	10 145	3,5
TOTAL		291 269	100

Sub-program 4, viz Biodiversity Management, stands out clearly in the table by virtue of it receiving 75% of the Chief Directorate's budget. The reason for this inordinate allocation is that DEDEAT's funding of ECPTA is channeled through this sub-program. The transfer constitutes no less than 87,7% of Sub-program 4's budget, and 65,8% of the entire Program 3 budget, as already indicated.

Budget for environmental governance outside of nature reserves

Program 3's budget takes on an entirely different complexion when it is viewed in isolation of the ECPTA allocation, as it must be in order to appreciate the actual amount available for Environmental Affairs to fulfill its core functions. From this perspective a more realistic tabulation of the distribution of Environmental Affairs' budget appears overleaf. The figures in the table speak for themselves.

⁴² Derived from Table 18: Summary of departmental payments and estimates by programme: P3 - Environmental Affairs in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, p. 592.

Table 6: Program 3 budget for environmental management outside of provincial nature reserves.

Sub-program	Name	Allocation (R'000)	% of total Chief Directorate budget
1	Environmental Policy, Planning and Coordination	18 874	6,5
2	Compliance and enforcement	21 930	7,5
3	Environmental quality management	21 904	7,5
4	Biodiversity Management	26 873	9,2
5	Environmental Empowerment Services	10 145	3,5
TOTAL		99 726	34,2

Weighting of Sub-program allocations for environmental governance outside of nature reserves

The allocations with which the Sub-programs are expected to fulfill their environmental governance responsibilities outside of nature reserves are placed in stark relief when they are evaluated relative to DEDEAT's budget and the provincial fiscal envelope.

Table 7: Allocations for environmental governance outside of nature reserves relative to DEDEAT budget & total provincial fiscal envelope.

Sub-program	Name	Allocation (R'000)	% of DEDEAT budget	% of provincial fiscal envelope
1	Environmental Policy, Planning and Coordination	18 874	1,8	0,032
2	Compliance and enforcement	21 930	2,0	0,037
3	Environmental quality management	21 904	2,0	0,037
4	Biodiversity Management	26 873	2,5	0,045
5	Environmental Empowerment Services	10 145	0,9	0,017
Total Program 3 allocation for functions outside of provincial parks		99 726	9,3	0,168

The percentages in the highlighted columns are chilling, and again speak for themselves. All that remains is to point to the severe disjuncture between Sub-program allocations and the onslaught against the Province's environment. If the Eastern Cape Government is at ease with these allocations then presumably it can only be either grossly ignorant of the environmental state of play in the Province, or unconcerned about it.

Variations in Sub-program allocations between 2012/13 and 2013/14

The table below shows 2013/14 Sub-program allocations in relation to 2012/13 main and adjusted appropriations. Percentage changes reflect the *changes between the 2012/13 adjusted appropriations and 2013/14 main appropriations*. Nominal percentage changes have been converted to real percentage changes by taking account of inflation.

Table 8: 2013/14 versus 2012/13 Environmental Affairs allocations⁴³

Sub-progr	Name	2012/13 Main appropriation (R'000)	2012/13 Adjusted appropriation (R'000)	2013/14 Main appropriation (R'000)	Nominal change %	Real change %
1	Environmental Policy, Planning and Coord'n	16 559	15 934	18 874	18,45	12,56
2	Compliance and Enforcement	15 180	37 713	21 930	-41,85	-44,74
3	Environmental Quality Management	18 160	12 949	21 904	69,16	60,74
4	Biodiversity Management outside of nature reserves	22 715	6 018	26 873	346,54	324,32
5	Environmental Empowerment Services	7 686	7 686	10 145	31,99	25,42
Sub-total: Env. management outside of nature reserves		80 300	80 300	99 726	24,19	18,01
	Transfer to ECPTA	184 426	190 426	191 543	0,59	-4,42
Total		264 726	270 726	291 269	7,59	2,23

The table exhibits considerable variances between 2013/14 main appropriations and 2012/13 adjusted appropriations, the most extreme being the 364% increase (324% in real terms) in the case of Biodiversity Management outside of nature reserves. However it also shows considerable variances between 2012/13 main and adjusted appropriations, Biodiversity Management again being a case in point, with its adjusted appropriation having been just 26,5% of its original allocation. On the other hand the 2012/13 adjusted appropriation for *Compliance and Enforcement* was well in excess of double its 2012/13 main appropriation.

Unacceptably, no account is provided in the *Estimates of Provincial Revenue and Expenditure* (EPRE) for these significant in-year adjustments, and it is necessary to access the 2012/13 *Adjusted Estimates of Provincial Revenue and Expenditure* in order to obtain some background to them. Be this as it may, it would appear from the *Adjusted Estimates* that the budget reductions for Sub-programs 1 and 3, and a fraction of the Sub-program 4 budget reduction, together totaling R6,533 million, were for the purpose of contributing towards a R22,533 million injection to Sub-program 2's budget, which

⁴³ Data drawn from Table 11 of this Budget Analysis.

required bolstering in order to cater for over-expenditure.⁴⁴ However no detail pertaining to the over-expenditure is offered. Moreover, while the *Adjusted Estimates* indicate that the injection occurred under the *compensation of employees* economic classification, the 2013/14 budget for Sub-program 2 aligns more closely with the 2012/13 main appropriation than it does with the adjusted appropriation, which implies that the over-expenditure would not have been based solely on inadequate initial remuneration budgeting. Besides this, the precise routing whereby the balance of R16 million required to offset the over-expenditure was accessed is unclear: the *Adjusted Estimates* indicate that a virement of this amount was made from Program 2 to Program 3, but that this was for *projects at ECPTA*.⁴⁵

In the circumstances it is difficult to obtain a sound grasp of the Program 3 budget adjustments during the 2012/13 financial year. This is not helped by Program 3's practise of coalescing budget information pertaining to transfers to the ECPTA and biodiversity management outside of nature reserves under Sub-Program 4. Hence it is not obvious, and needs to be deduced, that the drastic reduction from the 2012/13 main appropriation for biodiversity management outside of nature reserves is constituted by a combination of a R10 million reduction in the overall Sub-program budget (seemingly linked to under-expenditure by ECPTA in the 2011/12 financial year), a R6 million increase in the 2012/13 transfer to ECPTA, and the contribution of R697 000 to the Sub-program 2 injection.

Regardless of the exact rationale for the various Sub-program budget adjustments, they raise vexing questions about Environmental Affairs' overall planning, budgeting and management in relation to the Sub-program functions. Specifically, it should be clarified how the function of biodiversity management outside of nature reserves could be carried out effectively in the 2012/13 financial year with a little over a quarter of its original allocated budget. Similarly, light should be shed on the implications of the 32,5% reduction in Sub-program 3's budget, and the reason for Sub-Program 2's over-expenditure to the extent of 148,4% of its main appropriation. Such clarity is indispensable to a proper appraisal of the 2013/14 Sub-program allocations.

In any event, it is noted that 2013/14 Sub-program main appropriations are all higher than their 2012/13 equivalents. In general the increases are not exceptionally significant, the maximum being the 44,5% real increase in the Compliance and Enforcement allocation, which is doubtless merited (to say the least) by environmental lawlessness levels in the Province (although, once again, the furnishing of detail as regards the Sub-program's 2012/13 allocation fluctuations would provide a more meaningful backdrop to the increase). Similarly, within the context of the paltry overall allocation to Program 3, the increases in the other Sub-program budgets are welcome. Interestingly, notwithstanding the volatility at Sub-program budget level during 2012/13, the main appropriation for environmental governance outside of nature reserves went unadjusted. On the other hand, and in keeping with Sub-program trends, the total 2013/14 budget available for this predominant aspect of Program 3's mandate represents a 24,2% nominal increase (18,0% in real terms) relative to 2012/13, which is also welcome. However all these increases barely register on the scale of the provincial fiscal envelope.

⁴⁴ *Eastern Cape Adjusted Estimates of Provincial Revenue and Expenditure 2012/13*, Eastern Cape Provincial Planning and Treasury, p. 130.

⁴⁵ *Ibid.*

Table 9 below indicates the relative weightings of main appropriations over the 2012/13 and 2013/14 financial years.

Table 9: 2012/13 and 2013/14 budgets relative to total provincial fiscal envelope

Sub-progr.	Name	2012/13 Main appropriation (R'000)	% of fiscal envelope	2013/14 Main appropriation (R'000)	% of fiscal envelope
1	Environmental Policy, Planning and Coordination	16 559	0,029	18 874	0,032
2	Compliance and enforcement	15 180	0,027	21 930	0,037
3	Environmental quality management	18 160	0,032	21 904	0,037
4	Biodiversity Management outside of nature reserves	23 105	0,041	26 873	0,045
5	Environmental Empowerment Services	7 686	0,014	10 145	0,017
Sub-total: Environmental management outside of nature reserves		80 300	0,143	99 726	0,168
	Transfer to ECPTA	184 426	0,328	191 543	0,323
Total		264 726	0,471	291 269	0,492

It can be seen that the maximum Sub-program allocation increase, viz. that for Compliance and Enforcement, constitutes no more than an additional ten one-thousandths of a percent of the total budget of the Provincial Government, while the increase for environmental governance outside of protected areas as a whole amounts to an additional twenty-five one-thousandths of a percent. This is consistent with the overall Program 3 budget complexion as portrayed in this Budget Analysis.

Variations in appropriations by economic classification

As already indicated, the *EPRE* do not provide insight to the factors underpinning the variations in Sub-program allocations. This applies in the case of both the narrative account offered in support of Program 3's budget, and the *summary of departmental payments and estimates by economic classification*.⁴⁶

The *EPRE* considers allocation variances relative to revised estimates, rather than adjusted appropriations, for the 2012/13 financial year. However these respective amounts are identical in the summary by economic classification, save in the case of *goods and services*, where the revised estimate is R1,065 million lower than the adjusted appropriation. This causes a corresponding reduction in the revised estimate of the total Program 3 budget, relative to the adjusted budget. Table 10 contains variances based on 2012/13 adjusted budgets, and additionally shows them in real terms with

⁴⁶ *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, Table 19, p. 592.

inflation having been taken into account. Hence based on the 2012/13 revised estimate, the variance between Program 3's total 2012/13 and 2013/14 budgets is 8,0%, while evaluating it relative to the 2012/13 adjusted budget and taking account of inflation renders a real increase of 2,2%. Either way, the narrative account in the EPRE indicates that the increase is *due to increased funding for destination marketing allocated to ECPTA and the introduction of the environmental sector projects within municipalities.*⁴⁷

A 10,0% increase for *compensation of employees* is said to be *due to carry-through cost plans to continue strengthening capacity* in Program 3.⁴⁸ No information is provided on the filling of vacant Environmental Affairs posts. The most recent publicly available figures on vacancies within the Program are contained in DEDEAT's 2011/12 Annual Report. According to this account, at 31 March 2012 there were 339 posts attached to the Program, of which 184 were filled, resulting in a vacancy rate of 45,7%.⁴⁹

Based on the revised 2012/13 estimate, the 2013/14 budget for *goods and services* increases by 69,3% *due to the department's plan to intensify management and the protection of the natural environment by the enactment of the Eastern Cape Environmental Act and the implementation of the Provincial Climate Change Mitigation and Adaptation Strategy.* It is further indicated in reference to this economic classification that *the department will support the establishment of municipal waste infrastructure.*⁵⁰ The budgetary implications of the latter are understandable, but it is unclear why the enactment of the provincial statute should result in the stated intensification of effort, and justify increased expenditure. The same could be said about the climate change strategy, although principled reservations have already been expressed about this aspect of DEDEAT's portfolio anyway.

The explanation offered for the 3,1% increase (in fact a 2,0% decrease in real terms) in *transfers and subsidies* is as follows: *(It).....is due to the programme continuing funding infrastructure projects in the ECPTA (R30 million in 2013/14). A once-off allocation of R250 000 has been made available to ECPTA for research and development in the Green Innovation Pilot Project. The department would be funding destination marketing and events management to the tune of R24 million. In addition R3 million is provided in each year of the MTEF for the National Tourism Career Expo (NTCE) programme. An additional R2 million is for international and domestic trade shows and R1 million is for project management. Over the MTEF period, funding for environmental awareness and job creation is anticipated to increase (provinces and municipalities). The department will continue to support EPWP initiatives that create jobs through environmental management programmes, and will continue funding Environmental Awards for the schools in promoting sustainable environmental management and the greenest Municipality / cleanest town.*⁵¹

⁴⁷ *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, p. 592.

⁴⁸ *Ibid.*

⁴⁹ *DEDEAT 2011/12 Annual Report*, Table 3.1, p. 150.

⁵⁰ *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, p. 592.

⁵¹ *Ibid.*, pp. 592-593.

Based on the narrative account in the EPRE for Program 3's 2013/14 budget, one could be forgiven for overlooking that at the core of Environmental Affairs' mandate are a host of regulatory functions which need to be exercised across the length and breadth of the Province, and that the integrity of the Province's environment is inextricably linked to their efficacy. Other than the vague reference to intensifying *management and the protection of the natural environment by the enactment of the Eastern Cape Environmental Act* these responsibilities do not solicit mention. While the account is awash with references to the ECPTA and the distribution of funds outside of the Chief Directorate, virtually nothing is said about how the budget relates to internal operations and functions. And the highlighting of activities which pertain to the tourism industry creates the impression that the Program could actually be the tourism agency which falls under its auspices, rather than an arm of government which is charged with upholding a suite of national environmental policies and laws.

The narrative therefore has the effect of reinforcing reservations which are consistently articulated within this analysis, and summarized at its outset. At the same time, in perusing the *Adjusted Estimates* as necessitated by the omission from the EPRE of detail pertaining to Environmental Affairs' Sub-Program budget fluctuations, one's attention is drawn to the fact that Program 2's main appropriation for 2012/13 was reduced during the financial year by 24,4%, or an amount of R122,113 million. This amount included some R80 million which was transferred to departmental agencies but not spent. But notwithstanding this reduction the Program's main appropriation for 2013/14 is still 14,9% higher than the 2012/13 main appropriation. It has to be said that if Program 3's budget for environmental governance outside of protected areas was supplemented by the amount deducted from Program 2 this would have the effect of more than doubling it, which begs the question why within DEDEAT copious funds are being allocated to a Program which has demonstrated a significant deficiency in spending capability, while there is an extreme imperative for Program 3's budget profile to be raised such that the Program is more realistically positioned to protect the integrity of the Province's environment as a whole, and not just within nature reserves. It is also unclear how this situation can prevail in circumstances where DEDEAT has itself expressed the view that it is under-resourced for fulfilling its environmental mandate.

Table 10: Environmental Affairs budget by economic classification⁵²

(R' 000)	Audited			Main Budget 2012/13	Adjusted budget 2012/13	Revised estimate 2012/13	Medium-term estimate			Real Change between 2012/13 and 2013/14	Real Average Growth over MTEF	
	2009/10	2010/11	2011/12				2013/14	% change from Adjusted Appropriation 2012/13	2014/15			2015/16
Current payments	55,026	64,962	70,325	76,156	76,151	75,086	90,653	19.04	88,426	103,443	13,12	1,22
Compensation of employees	39,027	49,844	55,148	61,471	61,466	61,466	67,588	9.96	72,206	75,660	4,49	0,57
Goods and Services	15,999	15,118	15,177	14,685	14,685	13,620	23,065	57.07	16,220	27,774	49,25	3,05
Transfers and Subsidies to	103,861	157,634	148,130	188,570	194,575	194,575	200,616	3.10	219,811	201,549	-2,03	-2,99
Provinces and municipalities	1,361	9,164	3,952	3,000	3,000	3,000	8,073	169.10	7,892	8,255	155,71	-2,42
Departmental agencies & accounts	102,500	148,470	143,857	184,426	190,426	190,426	191,543	0.59	208,528	190,793	-4,42	-3,26
Non-profit institutions				1,144	1,144	1,144	1,000	-12.59	3,391	2,501	-16,94	31,48
Households			321		5	5		-100.00			-100	
Payments for capital assets	38	1,040										
Machinery and equipment	38	1,040										
Payments for financial assets		10										
Total economic classification	158,925	223,646	218,455	264,726	270,726	269,661	291,269	7.59	308,237	304,983	2,23	-1,64

⁵² Derived from Table 19: Summary of departmental payments and estimates by economic classification: P3 - Environmental Affairs in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, p. 592.

Table 11: Environmental Affairs budget by Sub-program⁵³

(R' 000)	Audited			Main Budget 2012/13	Adjusted budget 2012/13	Revised estimate 2012/13	Medium-term estimate			Real Change between 2012/13 and 2013/14	Real Average Growth over MTEF	
	2009/10	2010/11	2011/12				2013/14	% change from Adjusted Appropriation 2012/13	2014/15			2015/16
Env. Policy, Planning & Coord'n	45,038	56,844	31,260	16,559	15,934	15,934	18,874	18.45	27,407	36,441	12,56	20,61
Compliance & Enforcement	1,739	8,496	27,262	15,180	37,713	37,713	21,930	-41.85	19,990	18,890	-44,74	-7,84
Environmental Quality Mgmt	3,338	5,482	8,866	18,160	12,949	12,249	21,904	69.16	18,631	19,754	60,74	-6,42
Biodiversity Mgmt	106,532	152,325	147,140	207,141	196,444	196,079	218,416	11.18	234,524	221,829	5,65	-2,64
Env. Empowerment Services	2,278	499	3,927	7,686	7,686	7,686	10,145	31.99	7,685	8,069	25,42	-10,26
Total economic classification	158,925	223,646	218,455	264,726	270,726	269,661	291,269	7.59	308,237	304,983	2,23	-1.64

⁵³ Derived from Table 18: Summary of departmental payments and estimates by programme: P3 - Environmental Affairs in *Eastern Cape Estimates of Provincial Revenue and Expenditure 2013/14*, Eastern Cape Provincial Planning and Treasury, p. 592.

