



Province of the
EASTERN CAPE
OFFICE OF THE PREMIER

SMALL TOWN REVITALIZATION PROGRAMME

**EAST LONDON CONTRACTOR DEVELOPMENT OUTREACH
ROADSHOW**

24 APRIL 2026



PRESENTATION OUTLINE

- ❖ CONSTITUTIONAL MANDATE
- ❖ PROVINCIAL MIDTERM DEVELOPMENT PLAN
- ❖ SMALL TOWN REVITALIZATION PROGRAMME OVERVIEW
- ❖ LESSON LEARNED AND OPPORTUNITIES FOR CONTRACTORS
- ❖ RECOMMENDATION
- ❖ CONCLUSION



OUR CONSTITUTIONAL MANDATE

The Office of the Premier is a department created in terms of the Constitution, 1996 (Act No. 108 of 1996) and the Public Service Act (No. 103 of 1994) (Proc. No. 103 of 1994) to enable the Premier to lead the Eastern Cape government in the service of the public. It is thus mandated to ensure that:

- The Constitution, national and provincial laws, rules and regulations as well as policies, are faithfully and effectively executed;
- Through the Executive Council, the Premier drives the transformation process in the Province;
- Government is effectively coordinated, and
- The Office of the Premier strives to be an exemplary and effective centre of the Provincial Administration.



OUR CONSTITUTIONAL MANDATE cont

Legislative and Policy Mandates

In addition to the Constitution and the Public Service Act (No. 103 of 1994), other important legislative guidelines include:

- Labour Relations Act, (No.66 of 1995);
- Basic Conditions of Employment Act, (No. 75 of 1997);
- Skills Development Act, (No. 97 of 1998);
- Public Finance Management Act, (No. 1 of 1999);
- Employment Equity Act, (No.55 of 1998);
- Promotion of Administrative Justice Act, (No. 3 of 2000);
- Promotion of Access to Information Act, (No. 2 of 2000);
- Preferential Procurement Policy Framework Act, (No.5 of 2000);
- Electronic Communications and Transactions Act, (No. 25 of 2002);
- State Information Technology Agency Act, (No. 88 of 1998);



PROVINCIAL MID TERM DEV PLAN 2025 – 2030

Informed by the National Medium Term Development Plan (2024/29) and the Provincial Development Plan, and the Provincial Medium Term Development Plan (2025/30), the province has defined its strategy around 3 priority areas, namely:

- **Inclusive growth and job creation**
- **Reduce poverty and tackle the high cost of living; and**
- **A capable, ethical and developmental state.**

Weak integration of government programmes has resulted in inefficient and ineffective delivery of services. In response, the province also developed a risk-based approach to planning and programme implementation with the aim of facilitating greater cooperation among critical government entities and stakeholders in executing government initiatives.



PROVINCIAL MID TERM DEV PLAN 2025 – 2030 Cont

- ❖ Outcome 1: A growing, inclusive and equitable economy
- ❖ Outcome 2: An educated and empowered citizenry
- ❖ Outcome 3: A healthy population
- ❖ Outcome 4: Vibrant, equitably enabled communities
- ❖ Outcome 5: Capable, ethical and accountable state



Outcome 1: A growing, inclusive and equitable economy

2 Programmes co-ordinated for skills development and training for the economy (4)

EPWP;

Skills for the economy.

6 Programmes implemented for youth development, skills development and training for the economy (5)

Internships;

Learnerships;

Bursaries;

Work Integrated Learning [WIL];

Short skills programmes; and Apprenticeships

7 Programmes co-ordinated for inclusive economic growth (25)

Economic growth frontiers;

Eastern Seaboard Development;

Economic Infrastructure and strategic projects;

Environmental sustainability;

Inclusive economy; Investments;

Job creation.

2 Programmes implemented for inclusive economic growth (7)

International cooperation;

Youth entrepreneurship support.



Outcome 2: An educated and empowered citizenry

3 Programmes coordinated for inclusive Early Childhood Development (ECD) and learner attainment (10)

Early Childhood Development;

Institutional support to DoE ;

Learner attainment (including General Education and Training (GET) Phase).



Outcome 3: A healthy population

4 Programmes co-ordinated for to improve the health profile of the province (5)

Institutional support to DoH;
Non-communicable diseases;
Mental health illnesses;
Social determinants of health.



Outcome 4: Vibrant, equitably enabled communities

5 Programmes
coordinated to build
sustainable families (13)

GBVF;

Rural development, anti-
poverty and food security,
social cohesion, and
community safety;

MV beneficiation
programme;

Moral regeneration;

Ex-Mineworkers
programme.

3 Programmes
coordinated to improve
service delivery (5)

Human Settlements;
Small Town
Development;
Social Infrastructure.

3 Programmes
implemented to improve
service delivery (9)

Broadband;
eGovernment;
Small town
revitalization.



Outcome 5: Capable, ethical and accountable state

5 Programs co-ordinated to improve governance in the province (41)

Transformation;
Governance;
Municipal Support;
Integrated government cluster system;
Improvement of the image of government and the province.

4 Programmes implemented to improve governance in the department (47)

Unqualified audit outcome;
Organisational maturity;
Procurement Beneficiation;
Employment equity.



SMALL TOWN REVITALIZATION BACKGROUND

- Most small towns in the Eastern Cape originated in the 19th century as small military-administrative posts of colonial occupation, typically clustered around magisterial courts and office buildings.
- Investment in town infrastructure was limited and economic development rarely progressed beyond trading stores.
- In an effort to achieve economic potential and to reverse a dangerous dynamic of declining investment, stagnant municipal incomes from rates, poor infrastructure and falling standards of municipal services.
- The OTP is currently implementing infrastructure intervention called Small Town Revitalization programme (STR).



INTRODUCTION AND BACKGROUND (2)

- The STR programme, currently being implemented by OTP since 2016/17, builds on the 2012 concept paper and EXCO resolution on Small Town Revitalization, with specific focus on trading services such as:
 - **Water,**
 - **Sanitation,**
 - **Electrification, and**
 - **Road's infrastructure.**
- These focus areas are underpinned by **local economic development (SMMEs), women, youth empowerment and skills development (Designated groups), while assisting municipalities to accelerate access to basic services and attract investment .**



Table:1 Why OTP's intervention?

FINANCIAL YEAR	MONEY LOST BY THE PROVINCE ON INFRAStructure GRANTS	MONEY SPENT ON STR PROJECTS
2016/17	R121 925 000	R 10 000 000
2017/18	R 172 358 000	R 99 213 000
2018/19	R 278 177 000	R 204 079 000
2019/20	R 229 332 000	R 172 906 000
2020/21	R 351 219 000	R 154 439 000
2021/22	R 472 598 000	R 161 744 000
2022/23	R 479,263 000	R 203 627 000
2023/24	R 260,460 000	R 243 391 00
2024/25	R190 400 000	R141 219 00
2025/26	?????	R 148 483 000
TOTAL	2 555 732 000	R 1 484 830 000

BACKGROUND CONT, NUMBERS

Table:2 Outcome of OTP's interventions

STR RESULTS ON THE GROUND & VALUE FOR MONEY	
No of Projects completed	131
No of Projects with change of scope	1
No of Projects with scope reduction	1
No of Projects terminated	1
No of Guarantee recovered	1
No of Uncompleted projects	0
No of Non funded projects with Designs	4
NO LMs	19+(5)

Table:3 Socio economic impact

SOCIO-ECONOMIC IMPACT	
Jobs created	13 700
SMME Opportunities	378 & R515 M
Students Graduated	210
VAT received by LM's	R210 M



INTRODUCTION AND BACKGROUND (3)

As stated in the 2025 SOPA , the Honourable premier said “Building on the success of our Small-Town Revitalization Programme, in areas such as Ntabankulu, we are expanding the small-town revitalization programme to Amahlathi, Emalahleni, Intsika Yethu, Makana and Ngqushwa local municipalities, which will benefit from an additional investment of **R419 million for 2025 MTEF**. We are applying for more funds from Budget Facility for Infrastructure upgrade more of our small towns to make them attractive to investors”

- A total of 15 local municipalities will be supported which include Makana, Ndlambe, Amahlathi, Emalahleni, Intsika Yethu, Ndlambe, Port St. Johns, Ngqushwa, Great Kei, Mnquma, Ntabankulu, Koukamma, King Sabata Dalindyebo, Mbashe and Enoch Mgijima”.
- The programme is further allocated a budget of R 148 570 million for 2025/26 financial year.



COLLABORATIONS

The following are our key External Collaborations/ partnerships that are required to ensure successful implementation of the targets

- ❑ Local Municipalities : Appointment of service providers
- ❑ COGTA : STR framework and pre-planning
- ❑ CIDB : Contractor and Skills development
- ❑ Local Business forums : Providing leadership on SMME
- ❑ Private sector : Providing investment for business
- ❑ Department of transport : Grading of DLTC projects
- ❑ ESKOM : Energizing of High mast lights& Streets Lights



STR FOOTPRINT

DISTRICT MUNICIPALITY	LOCAL MUNICIPALITY	PROGRAMME STATUS
Alfred Nzo District Municipality	Ntabankulu	In progress
	Mzimvubu	Completed
Amathole District Municipality	Mbhashe LM	In progress
	Raymond Mhlaba	Complete
	Great Kei, Mnquma, Mbhashe	In progress, Scheduled to be completed in March 2026
	Ngqushwa LM& Amahlathi	New Municipality 2024/25
Joe Gqabi District Municipality	Elundini	Complete
OR Tambo District Municipality	Nyandeni	Complete
	Port St Johns	In progress Schedule to End in 2025
	Ngquza Hill	Completed
	KSD	In progress ,scheduled to be completed in 2025
Sarah Baartman District Municipality	Dr Beyers Naude & Sunday's River Valley	Complete
	Ndlambe LM	In progress ,scheduled to be completed in 2025
	Koukamma LM	In progress ,scheduled to be completed in 2025
	Makana LM	New Municipality 2024/25
Chris Hani District Municipality	Enoch Mgijima LM	In progress ,scheduled to be completed in 2025
	DR AB Xuma LM	In progress ,scheduled to be completed in 2025
	Emalahleni & Intsikia Yethu	New Municipality 2024/25

STR PROJECTS ECONOMIC BENEFICIATION / IMPACT

MUNICIPALITY	ECONOMIC ACTIVITY/BENEFITS DESCRIPTION	AMOUNT
Nyandeni LM	Municipality currently benefiting from National Treasury's Neighbourhood Grant. Furthermore, the municipality constructed additional offices in Ngqeleni, Ngqeleni transport hub and Libode shopping centre	> R 300 M
Ndlambe LM	Municipality is currently part of National Budget facility for infrastructure , more than 1000 houses will be built in Thornhill	>R 1.15BLN
Raymond Mhlaba LM	South property group, Deep roots and Ramako have committed to invest in Student accommodation in Alice	>R1,108BLN
MBHASHE LM	Mbhashe shopping Mall in Idutywa	>R 300 M
Ingquza Hill LM	Proposed new shopping centre in Flagstaff and Gold Fields committed R 6 million towards construction of Taxi rank	>R 200 M



2026- 2028 CONTRACTORS OPPORTUNITIES

DISTRICT MUNICIPALITY			LOCAL MUNICIPALITY	PROJECT NAME	ALLOCATED BUDGET	
Alfred Nzo Municipality	District		Ntabankulu	Surfacing of Internal streets phase 3	2026/27	2027/28
					R 6 000	R 0.00
Amathole Municipality	District		Mbhashe LM	Surfacing of Idutywa internal streets phase 2	R 10 000	R 0.00
			Ngqushwa LM& Amahlathi	Surfacing of internal streets in Hamburg Phase 1 & 2	R 15 404	R 30 000
				Installation of streets lights & highmast lights in Hamburg	R 7 000	R 3 000
			Amahlathi	Surfacing of internal streets in Keiskammahoek & Stutterheim	R 40 000	R 10 000
				Installation of streets lights & highmast lights in Keiskammahoek & Stutterheim	R 6 030	R 0.00
OR Tambo Municipality	District		KSD	Surfacing of Mqanduli internal streets phase 2	R 30 000* (Co funding)	30 000* (Co funding)
Sarah Baartman Municipality	District		Koukamma LM	Construction of Joubertina DLTC Building	R 3 000	R 0.00
			Makana LM	Surfacing of internal streets in Makhanda	R 20 000	R 15 000
				Refurbishment of Makhanda electrification	R 10 000	R 5 000
				Construction of Makhanda DLTC	R 10 000	
Chris Hani Municipality	District		Enoch Mgijima LM	Refurbishment of Komani Electrification (Ebden, Western, Alexandria and Queen industrial	R 20 203	R 20 900
			Intsikayethu LM	Surfacing of internal streets in Tsomo & Cofimvaba	R27 000	R36 203
			Emalahleni	NSurfacing of internal streets in Indwe Cacadu	15 000	32 888

Lesson learned and remedial actions

RISKS	MITIGATION MEASURES
Environmental issues (PSJ, Siyibane and Msikithi, Humburg)	Engagement with sector departments on exemption of conditions and implementation of projects in phases
Local SMMEs involvement and reporting	Inhouse SMME engagement strategies , preparations of SMME's packages during project planning, OTP monitor implementation and Payments made to the SMMEs
Over / under estimate of Project budgets (design options and selection)	OTP , MISA and treasury to conduct gate reviews for proposed designs
Lack of cash flows and experience from SMME	Provisional sums for SMME , training of SMME, procurement of material for transfer of SMME funds to LM's
Under pricing of SMME packages by main contractors / purchasing of SMME packages	OTP to review procurement files from specification to intention to award and STR payment are based on BOQ and service rendered.
Stability of Leadership (PMU, CFO, TEC D and MM)	Involvement of Finance and Technical team in Project Steering Committee's and Technical meetings
Insufficient budget for current and future projects	Budget shortfall was presented on MTEC Hearing meeting.





- ❖ Five (5) SMME packages split into eight (7) packages with estimated budgets were advertised
- ❖ SMME packages to be advertised in sequence with programme. Appointments completed.
- ❖ All packages are CIBD Grade 1 because they are below R 1 million
- ❖ Culverts & Kerbing to commence first ASAP.
- ❖ Local plant (trucks) is currently being utilized for earthworks.

Packages	Sections	Description	Amount
Package 1	2200	Prefabricated Culverts - 1	R755 400.00
Package 2	2200	Prefabricated Culverts - 2	R 755 400.00
Package 3	2300	Concrete Kerbing, Concrete Channelling, etc. - 1	R766 700.00
Package 4	2300	Concrete Kerbing, Concrete Channelling, etc. - 2	R 766 700.00
Package 5	33/3400	Mass Earthworks & Pavement Layers	R 740 675.49
Package 6	21/56/57/58/5900	Drains, Signs, Marking, Landscape, Road Finishing	R 824 649.85
Package 7	9000	Walkways - 1	R820 800.00
Package 8	9000	Walkways - 2	R 820 800.00
Sub-Total			R 6 251 125.34
Establishment @ 8%			R 500 101.84
Sub-Total			R 6 751 374.78
VAT			R 1 012 706.22
TOTAL			R 7 764 081.00



**2.4 ML Reservoir in
Port Alfred Ndlambe
Local Municipality**





**9 Km Aggate
Road in PSJ**





MQANDULI

DLTC

PROJECT KSD

INTEGRITY



**2.4 ML Reservoir
in Port Alfred**

**9 Km Aggate
Road in PSJ**



NEW TOWNS STATUS



LEADING DEVELOPMENT WITH EXCELLENCE AND INTEGRITY



RECOMMENDATION

- Signing of Provincial MOU between OTP and CIDB
- Improve coordination and communication within sector departments in the Province
- Leveraging on existing and planned provincial investment & interventions as alternative for funding
- Collaborate with OTP on the Poverty alleviation and infrastructure maintenance programme for Designated groups



CONCLUSION

- The renewed programme is a priority of priorities of the Eastern Cape Provincial Government and is politically championed by the Premier and administratively championed by the Director General in the Office of the Premier;
- The OTP will continue to work together with affected and interested sector department within the province to ensure success of the project through coordination and collaborations (infrastructure delivery, job creation, skills development and benefit for local business)



Ndiyabulela

thank you

Dankie

Thank You

Kea Leboha

