



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

STRATEGIC PLAN 2030

EXECUTIVE AUTHORITY STATEMENT



**Honourable Rev. Musa Zondi, MPL,
Executive Authority (MEC) for
KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs**

Building a Resilient, Inclusive, and Globally Competitive Economy

KwaZulu-Natal stands at a pivotal moment in its economic trajectory. As we enter the next five-year planning cycle, we do so with a clear vision of building a sustainable, inclusive, and globally competitive economy. The 7th Administration, through the Honourable Premier Thamsanqa Ntuli's State of the Province Address (SOPA) and strategic government directives, has outlined a path that calls for both continuity and change.

The province has faced significant economic challenges in recent years, from the lingering impact of the COVID-19 pandemic and the devastating looting incidents of 2021 to the ongoing energy crisis and growing concerns over infrastructure decay. Yet, despite these setbacks, KwaZulu-Natal has shown resilience. Our focus now must be on transforming this resilience into tangible economic growth, ensuring that we not only recover but emerge stronger.

This Strategic Plan 2025-2030 serves as our guiding framework to reposition the province as a premier destination for investment, tourism, trade, and industrial development.

At the core of this strategy are key priorities:

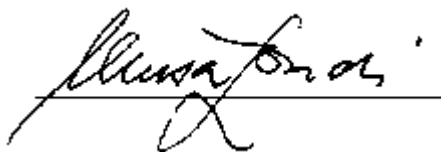
- Driving inclusive economic growth through industrialization, infrastructure development, and investment attraction.
- Revitalizing key economic sectors such as manufacturing, logistics, agriculture, and the green economy.

- Strengthening trade and investment networks to expand market access and enhance global competitiveness.
- Accelerating skills development and job creation to empower youth and marginalized communities.
- Advancing good governance and ethical leadership to foster investor confidence and economic stability.

Our commitment is to create an economy that is innovative, diversified, and sustainable, where small businesses, entrepreneurs, and large-scale industries thrive together. This is not just an economic imperative - it is a social one. Job creation, poverty alleviation, and economic transformation must remain at the forefront of our efforts.

In achieving these goals, partnerships will be critical. Collaboration between government, private sector, civil society, and international stakeholders will be the driving force behind our province's success. We must work together to unlock investment opportunities, modernize infrastructure, and ensure that economic gains benefit all sectors of our society.

KwaZulu-Natal has the potential to lead South Africa in trade, tourism, and industrial expansion. This Strategic Plan lays the foundation for that future. It is now our collective responsibility to implement it with urgency, accountability, and a shared commitment to excellence.



Rev. Musa Zondi

Executive Authority (MEC) for KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs

Date: 18 March 2025

ACCOUNTING OFFICER'S STATEMENT



Mr. Nhlakanipho Nkontwana

KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs

The 2019-2024 planning cycle undoubtedly presented a multitude of immense challenges, yet as an optimist, I also witnessed significant achievements within the Department of Economic Development, Tourism, and Environmental Affairs (EDTEA). Reflecting on this period, it is clear that our province faced a convergence of global, national, and local challenges that tested its economic resilience. However, through strategic interventions and unwavering commitment, EDTEA made remarkable progress in driving recovery, resilience, and inclusive growth.

Challenges of the 2019-2024 period

This period was marked by a series of profound challenges. The COVID-19 pandemic severely disrupted lives and livelihoods, crippling industries such as tourism, retail, and manufacturing, while placing immense pressure on the healthcare system. The civil unrest of 2021 caused extensive damage to infrastructure and businesses, further exacerbating economic vulnerabilities. In 2022, devastating floods displaced thousands, destroyed infrastructure, and disrupted key sectors, including agriculture and logistics. On top of these challenges, persistent energy constraints, inefficiencies at critical ports, and global geopolitical tensions drove up food and fuel prices, further intensifying the cost of living crisis. These issues highlighted the fragility of our economy, demanding swift, innovative, and collaborative responses.

Key Achievements of the 2019-2024 Period

Despite the adversity, EDTEA achieved significant milestones, reinforcing its commitment to driving economic recovery, growth, and sustainable development. In response to the economic shocks from COVID-19, social unrest, and the 2022 floods, the Department launched the Economic Recovery Plan in 2021. This plan played a pivotal role in helping the provincial economy recover from the loss of 400,000 jobs and R38 billion in GDP. Central to stabilising key sectors, it helped reignite growth. The

tourism sector experienced a strong rebound during this period, with targeted promotional and marketing campaigns driving increased tourist arrivals into the province. Air connectivity was a key enabler of this recovery, as several air routes were revived, and new routes were introduced, enhancing the accessibility of KwaZulu-Natal to both domestic and international travellers.

The Department further strengthened the province's Air transport infrastructure through the refurbishment, expansion, operationalisation, and improved efficiency of regional airports, enhancing connectivity and supporting economic growth. EDTEA successfully concluded the first window of the Operation Vula Programme, assisting more than 1,000 applicants with various business instruments that enabled SMMEs and cooperatives to thrive. Infrastructure support for informal enterprises also advanced significantly, with over R100 million invested to develop infrastructure that benefited almost 2,000 traders across 19 local municipalities. In the drive for innovation and digital transformation, the Department established seven digital centres, fostering the growth of ICT skills and supporting emerging entrepreneurs in the digital economy. These initiatives laid the groundwork for a more inclusive and tech-driven economic landscape.

The province's focus on infrastructure development also played a crucial role in attracting significant investment. Through strategic partnerships and engagement, KwaZulu-Natal enhanced its competitiveness as an investment destination, driving both domestic and foreign investments into key sectors. These achievements were further complemented by the Department's emphasis on environmental sustainability. The finalisation of the Provincial Climate Change Strategy and green economy initiatives, such as solar panel installation training, highlighted EDTEA's commitment to fostering climate resilience and promoting sustainable practices.

Strategic Focus for the 2025-2029 Planning Period

Inclusive growth and job creation remain the Apex Priority for the 7th Administration. All spheres of government, clusters and sectors must prioritise interventions to stimulate more rapid and inclusive growth. The MTDP 2024–2029 focuses on nine outcomes to achieve this Strategic Priority:

- Increased employment and work opportunities;
- Accelerated growth of strategic industrial and labour-intensive sectors;
- Enabling environment for investment and improved competitiveness through structural reforms;
- Increased infrastructure investment, access and efficiency;
- Improved energy security and a just energy transition;
- Increased trade and investment;
- A dynamic science, technology and innovation ecosystem for growth;
- Supportive and sustainable economic policy environment; and
- Economic transformation and equitable inclusion of women, youth and persons with disabilities for a just society.

Rapid, inclusive, and sustained economic growth is essential for the KwaZulu-Natal Department. A growing economy leads to more job opportunities, reduced poverty, and increased revenues, which can support expanded social spending. Inclusive growth fosters social cohesion and helps reduce crime.

To achieve more rapid growth, the focus must be on creating conditions that encourage private sector investment, innovation, productivity, and international competitiveness. In the medium term, a target of 3.0% real GDP growth by 2029 will be necessary to support a sustained increase in the employment rate.

As we transition into the 2025-2029 planning period, EDTEA remains committed to addressing systemic challenges and unlocking opportunities to build a more inclusive, sustainable, and competitive economy. The Department's strategic focus will be guided by key priorities aimed at driving inclusive economic growth and job creation. We will prioritise economic restructuring through collaboration with public entities such as the KZN Growth Fund Agency and Ithala Development Finance Corporation, supported by significant investments of R1.4 billion in the Dube Tradeport and R2 billion in the Richards Bay Agri-Hub. Empowering youth and women will continue to be a cornerstone of our strategy, with a focus on fostering youth- and women-owned businesses, particularly in rural areas. Poverty reduction will be a priority, with initiatives such as the Ilima/Letsima Mechanisation Programme, which aims to improve food security and provide housing for vulnerable communities.

The Department will drive the growth of emerging industries, such as the digital and green economies, creating new job opportunities and fostering innovation. Cultural and heritage tourism will be further enhanced, with the completion of the King Shaka statue and the 1860 Indian Indentured Labourers Monument set to boost rural economies and celebrate the province's cultural heritage. Transport expansion will remain a critical focus, with investments aimed at improving rail, maritime, pipeline, and aviation infrastructure, alongside the formalisation of the taxi industry with the aim of addressing public transport challenges.

Clean governance and the professionalisation of the public service will be at the forefront of our agenda as we work to enhance service delivery and enforce a zero-tolerance policy on corruption. The Climate Change Bill will underpin our sustainability efforts, enabling the province to adapt to and mitigate the impacts of climate change. Through meaningful engagement with societal stakeholders—including traditional leaders, NGOs, and the private sector—EDTEA will foster collaboration and social cohesion to rebuild and strengthen the province. Job creation will remain a top priority, with initiatives focused on renewable energy, port infrastructure enhancements, and increasing black ownership in key sectors to contribute to inclusive economic growth.

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Mr. Nhlakanipho Nkontwana

Accounting Officer for KwaZulu-Natal Department of Economic Development,
Tourism and Environmental Affairs

OFFICIAL SIGN-OFF

It is hereby certified that this **Strategic Plan**:

- Was developed by the management of the Department of Economic Development Tourism and Environmental Affairs under the guidance of the **Honourable MEC, Rev. Musa Zondi**.
- Considers all the relevant policies, legislation and other mandates for which the Department of Economic Development, Tourism and Environmental Affairs is responsible.
- Accurately reflects the strategic outcome orientated goals and objectives which the Department of Economic Development, Tourism and Environmental Affairs will endeavour to achieve over the period **2025-2030**.

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MEC Rev. Musa Zondi
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Department of Economic Development,
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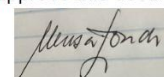


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**ANNEXURE A: NATIONAL SPATIAL DEVELOPMENT FRAMEWORK AND DISTRICT DELIVERY
MODEL 158**

Table: National Spatial Development Framework (NSDF) And District Delivery Model (DDM)..... 159

ABBREVIATIONS

ADDG	Acting Deputy Director General	EIA	Environmental Impact Assessment
ADR	Alternative Dispute Resolution	EKZNW	Ezemvelo KwaZulu-Natal Wildlife
AFCFTA	African Continental Free Trade Area		
AOP	Annual Operational Plan		Employee Performance Management and Development System
APP	Annual Performance Plan	EPMDS	
AQMPs	Air Quality Management Plans	FDI	Foreign Direct Investment
AWG	Action Work Group	GDP	Gross Domestic Product
B-BBEE	Broad-Based Black Economic Empowerment	GDPR	Gross Domestic Product Regional
BPO	Business Process Outsourcing	GNU	Government of National Unity
BRICS	Brazil, Russia, India, China and South Africa	GPU	Government of Provincial Unity
CARC	Cluster, Audit and Risk Committee	ICM	Integrated Coastal Management
CATHSSETA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority	ICOREF	Integrated Compliance and Enforcement Forum
CCIs	Cultural and Creative Industries	ICT	Information and Communications Technology
CD	Chief Director		Information and Communication Technology and Electronics
CFO	Chief Financial Officer	ICTE	
CMT	Cut, Make and Trim	IDFC	Ithala Development Finance Corporation
COGTA	Cooperative Governance and Traditional Affairs	IDZ	Industrial Development Zone
CPI	Consumer Price Inflation	IEDS-BR	Integrated Economic Development Service – Business Regulation
DDG	Deputy Director General	IGR	International and Intergovernmental Relations
DDM	District Development Model	IPP	Independent Power Producers
DOM	District Operations Management	IT	Information Technology
DPSA	Department of Public Service and Administration	IYM	In-year Monitoring
DTI	Department of Trade and Industry	KSIA	King-Shaka International Airport
DTP	Dube TradePort	KZN IE	KwaZulu-Natal Informal Economy
DTP IDZ	Dube TradePort Industrial Development Zone	KZN PPC	KwaZulu-Natal Provincial Planning Commission
DTPC	Dube TradePort Corporation	KZNERA	KwaZulu-Natal Economic Regulatory Authority
DUT	Durban University of Technology		

KZNSB	KwaZulu-Natal Sharks Board	PGDP	Provincial Growth and Development Plan
KZNTAFA	KwaZulu-Natal Tourism and Film Authority	PGDS	Provincial Growth and Development Strategy
LMs	Local Municipalities	PMU	Project Management Unit
MEI	Municipality Employment Initiatives	PPP	Public-Private Partnership
METT	Management Effectiveness Tracking Tool	RBIDZ	Richards Bay Industrial Development Zone
MIIE	Municipality Infrastructure for Informal Economy	RLED	Regional and Local Economic Development
MKRI	Moses Kotane Research Institute	SALGA	South African Local Government Association
MPAs	Marine Protected Areas	SDGs	Sustainable Development Goals
MRO	Maintenance, Repair and Overhaul	SECO	Swiss State Secretariat for Economic Affairs
MTEF	Medium-Term Expenditure Framework	SLA	Service Level Agreements
MTDP	Medium-Term Development Plan	SMME	Small Medium and Micro Enterprise
MoA	Memorandum of Agreement	SMS	Senior Management Service
MoU	Memorandum of Understanding	SPLUMA	Spatial Planning and Land Use Management Act 16 of 2013
NACH	National Anti-Corruption Hotline	SSGs	Small-Scale Sugarcane Growers
NDP	National Development Plan	STI	Science, Technology and Innovation
NSDF	National Spatial Development Framework	THS	Tongaat Hulett Sugar
OSS	Operation Sukuma Sakhe	TIKZN	Trade & Investment KwaZulu-Natal
OVF	Operation Vula Fund	TVET	Technical and Vocational Education and Training
PERSAL	Personnel and Salary System		
PFMA	Public Finance Management Act		

PART A: OUR MANDATE

RELEVANT LEGISLATIVE AND POLICY MANDATES

1. CONSTITUTIONAL MANDATE

The Constitution of the Republic of South Africa, 1996, outlines the competencies of provincial and local governments through various schedules. **Schedule 4A** assigns provincial responsibilities including the regulation of airports (excluding international and national ones), casinos, racing, gambling, and wagering (excluding lotteries and sports pools). It also encompasses consumer protection, environmental management (including pollution control), industry promotion, nature conservation (excluding national parks, national botanical gardens, and marine resources), tourism, and trade.

Schedule 5A designates additional provincial responsibilities such as liquor licensing, abattoirs, and provincial planning. Meanwhile, **Schedule 5B** delineates local government duties, which include refuse removal, refuse dumps, and solid waste disposal, as well as managing cemeteries, funeral parlours, crematoria, municipal abattoirs, and noise pollution. This structured allocation of responsibilities ensures that both provincial and local governments can address their respective regional and municipal needs effectively.

2. LEGISLATIVE AND POLICY MANDATE

In accordance with the Constitution of the Republic of South Africa, 1996, the Department is also regulated by various National Legislation, Policies, and Strategic Frameworks. These include, but are not limited to:

2.1 LEGISLATIVE MANDATE

LEGISLATION	AMENDEMENTS	ACT PROVISIONS OVERVIEW
Public Service Act, 1994 (Proclamation 104 of 1994)	Amended in 2007	Regulates the organization, administration, and employment conditions within the public service.
Public Service Regulations, 2016	No amendments	Provides detailed procedures for the implementation of the Public Service Act, including human resource management, performance management, and disciplinary procedures.
The Public Finance Management Act, 1999 (Act No. 1 of 1999)	Public Finance Management Amendment Act, 199 (Act No.29 of 1999)	Regulates financial management in government, detailing procedures for revenue, expenditure, assets, and liabilities, and ensuring transparency, accountability, and sound practices.
The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	The Promotion of Access to Information Act Regulations 2021	Allows individuals to access information held by public and private entities. Recent regulations introduce a new application form and outline the fees required for making information requests.
Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)	Promotion of Administrative Justice Amendment Act 53 of 2002	Ensures lawful, reasonable, and fair administrative action and provides for written reasons for such actions.
Protected Disclosures Act, 2000 (Act No. 26 of 2000)	Protected Disclosures Amendment Bill, 2015	Provides procedures for disclosing unlawful conduct by employers and protects whistle-blowers.

LEGISLATION	AMENDEMENTS	ACT PROVISIONS OVERVIEW
Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	Protection of Personal Information Act Regulations, 2018/2021	Protects personal information by setting processing standards and creating an Information Regulator, addressing unsolicited communications, automated decisions, and cross-border data flow.
Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)	Occupational Health and Safety Act 181/1993	Regulates health and safety standards across various industries, mandating compliance from all employers, including public service departments, to ensure safe working conditions.
Companies Act, 2008 (Act No. 71 of 2008);	Companies Amendment Act 16 of 2024	Amendments address definitions, the establishment of support agencies for small enterprises, and unfair trading practices.
National Small Enterprise Act, 1996 (Act No. 102 of 1996).	Co-operatives Administrative Regulations, 2016; Co-operatives Amendment Act, 2013 (Act No. 6 of 2013)	Provides for the formation and registration of co-operatives, the establishment of a Co-operatives Advisory Board, and the winding up of co-operatives.
Co-operative Act, 2005 (Act No. 14 of 2005)	Co-Operatives Administrative Regulations, 2016 Co-operatives Amendment Act No. 6 of 2013	The Act intends to provide for the formation and registration of co-operatives; the establishment of a Co-operatives Advisory Board; the winding up of co-operatives; the repeal of Act No. 91 of 1981; and matters connected therewith
Tourism Act, 2014 (Act No. 3 of 2014).	No amendments	Regulates the tourism industry, aiming to enhance tourism development and establish a framework for tourism planning and governance in South Africa.
National Environmental Management Act, 1998 (Act No. 107 of 1998)	National Environmental Management Laws Amendment Act, 2022 (Act No. 2 of 2022)	Provides for co-operative environmental governance, establishing principles for decision-making on environmental matters and promoting intergovernmental co-operation.
National Environmental Management: Biodiversity Act, 2004 (Act No. 10 of 2004);	National Environmental Laws Amendment Act, 2022 (Act No. 2 of 2022); National Environmental Laws Amendment Act, 2013 (Act No. 14 of 2013)	Aims to manage and conserve South Africa's biodiversity, protecting species and ecosystems, ensuring sustainable use of biological resources, and fair sharing of benefits from bioprospecting.
National Environmental Management: Air Quality Act, 2004 (Act No. 39 of 2004);	National Environmental Management: Air Quality Amendment Act, 2014 (Act No. 20 of 2014)	Reforms air quality regulation to protect the environment, providing standards for air quality monitoring and management across all government spheres.
National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of 2008)	National Environmental Management Laws Amendment Act, 2022 (Act No. 2 of 2022);	Establishes integrated coastal management systems, promoting conservation of coastal environments while ensuring sustainable development and resource use.
National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003)	National Environmental Management: Protected Areas Amendment Act, 2014 (Act No. 21 of 2014)	Provides for the protection of ecologically viable areas, establishing a national register of protected areas and promoting intergovernmental cooperation in their management.
National Environmental Management: Waste Act, 2008	National Environmental Management: Waste	Reforms waste management law to protect health and the environment, providing for national

LEGISLATION	AMENDEMENTS	ACT PROVISIONS OVERVIEW
(Act No. 59 of 2008)	Amendment Act, 2013 (Act No. 14 of 2013)	standards and institutional arrangements for waste regulation.
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	Broad-Based Black Economic Empowerment Amendment Act, 2013 (Act No. 46 of 2013)	Aims to advance equality and increase black participation in the economy, enhancing growth, job creation, and income distribution.
Special Economic Zones Act, 2014 (Act No. 16 of 2014)	Special Economic Zones Regulations, 2018	Establishes and manages Special Economic Zones, providing for operator permits, advisory boards, and transitional arrangements for economic development.
Spatial Planning and Land Use Management Act, 2013 (Act No 16 of 2013)	Amended by Municipal Fiscal Powers and Functions Amendment Act 4 of 2024	Provides a framework for spatial planning and land use management in South Africa, aiming for integrated and sustainable development.
Local Government: Municipal Systems Act No 32 of 2000	Amended by Local Government: Municipal Systems Amendment Act 3 of 2022	Regulates the structure and functioning of local government, providing guidelines for municipal planning, governance, and public participation.
Local Government: Municipal Structures Act 117 of 1998	Amended by Local Government: Municipal Systems Amendment Act 3 of 2022	Establishes the framework for municipal structures in South Africa, defining roles, responsibilities, and electoral processes for local government.
Natural Resources Heritage Act (Act No 25 of 1999)	No amendments	Aims to manage and protect South Africa's natural resources heritage, promoting conservation and sustainable use of natural resources.
Ithala Development Finance Corporation Act, 2013 (Act No. 5 of 2013)	No amendments	Continues the KwaZulu-Natal Ithala Development Finance Corporation (formerly KwaZulu Finance and Investment Corporation) to promote sustainable socio-economic development in KwaZulu-Natal. Defines its objectives, powers, duties, and management, and addresses related matters.
KwaZulu-Natal Growth Fund Agency Act, 2024	No amendments	Establishes the KZN Growth Fund Agency to promote economic growth and investment in KwaZulu-Natal.
KwaZulu-Natal Moses Kotane Research Institute Act, 2024	No amendments	Establishes the Moses Kotane Research Institute to support research and innovation for socio-economic development.
KwaZulu-Natal Sharks Board Act, 2008 (No.05 of. 2008)	No amendments	Regulates the functions of the KZN Sharks Board in promoting shark conservation and ensuring public safety in coastal waters.
Nature Conservation Ordinance, 1974 (Ordinance No. 15 of 1974)	Various amendments	The Ordinance aims to consolidate the laws relating to nature conservation and to provide for matters incidental thereto.
KwaZulu-Natal Nature Conservation Management Act, 1997 (Act No. 9 of 1997)	KwaZulu-Natal Nature Conservation Management Amendment Act, 1999 (Act No. 5 of 1999)	The Act aims to provide institutional structures for nature conservation in KwaZulu-Natal; to establish control and monitoring bodies and mechanisms; and to provide for matters incidental thereto.

LEGISLATION	AMENDEMENTS	ACT PROVISIONS OVERVIEW
KwaZulu-Natal Tourism and Film Authority Act, 2024 (Act 2 of 2024)	No amendments	Establishes the KwaZulu-Natal Tourism and Film Authority to govern and regulate the tourism and audio-visual industries in the province.
KwaZulu-Natal Dube Trade Port Corporation Act, 2010 (Act No. 2 of 2010)	No amendments	To establish the Dube Trade Port Corporation, defining its functions, management, and financing. It also provides for the winding up of the Dube Trade Port Company and the Corporation's succession.
KwaZulu-Natal Economic Regulatory Authority Act, 2024 (Act 1 of 2024)	No amendments	The Act am to establish the KwaZulu-Natal Economic Regulatory Authority to govern and regulate gaming, horse racing, betting, and liquor industries in the province.
KwaZulu-Natal Trade and Investment Agency Act, 2010 (Act No. 5 of 2010);	No amendments	Establishes Trade and Investment KwaZulu-Natal to attract investment, boost exports, and develop a Provincial Investment and Export Policy. It defines the Agency's management, governance, and functions.
Businesses Act, 1991 (Act No. 71 of 1991)	Businesses Amendment Act, 1993 (Act No.186 of 1993)	The Act aims to repeal or amend certain laws regarding the licensing and carrying on of businesses, and shop hours; to make certain new provision regarding such licensing and carrying on of businesses; and. to provide for matters connected therewith.
KwaZulu-Natal Consumer Protection Act, 2013 (Act No. 4 of 2013);	KwaZulu-Natal Consumer Protection Regulations, 2014	Establishes the KwaZulu-Natal Office of the Consumer Protector to safeguard consumer rights, handle complaints, provide redress, and promote consumer education and awareness. It also sets up Consumer Tribunals and defines their roles and functions.
Electricity Regulation Amendment Bill, 2024	No amendments	This bill aims to improve energy security by creating a level playing field for electricity producers to compete. The goal is to lower electricity prices, improve efficiency, and ensure energy security in the long term. President Cyril Ramaphosa signed the Electricity Regulation Amendment Act into law in August 2024.
Draft Petroleum Products Bill, 2024	No amendments	This bill aims to improve energy security by regulating the petroleum industry and diversifying the country's energy mix. The bill introduces new licensing and regulatory frameworks and aims to facilitate the use of cleaner energy products and renewable components. It also aims to improve compliance and enforcement by increasing the powers of the Controller, Regional Controllers, and inspectors

2.2 POLICY MANDATE

The Department's core functions are guided by specific mandates. These mandates are defined by the following policies:

POLICY	POLICY OBJECTIVE
National Polices	
National Development Plan (NDP) (2012)	To eliminate poverty and reduce inequality by 2030, the Department has established a comprehensive framework that focuses on economic growth, job creation, education, and health. This approach addresses key chapters, including: Chapter 3: Economy and Employment; Chapter 4: Economic Infrastructure; Chapter 5: Ensuring Environmental Sustainability and a Transition to a Low-Carbon Economy; Chapter 6: An Integrated and Inclusive Rural Economy; Chapter 8: Transforming Human Settlements and the National Space Economy; Chapter 12: Building Safer Communities; Chapter 13: Building a Capable and Developmental State and Chapter 14: Fighting Corruption
New Growth Path (2010)	To create jobs and stimulate economic growth by focusing on sectors with high potential for employment and economic expansion.
Integrated National B-BBEE Strategy (2015)	To promote economic transformation and enhance the economic participation of black South Africans through Broad-Based Black Economic Empowerment (B-BBEE).
Industrial Policy Action Plan (IPAP) (2007)	To develop a competitive and diversified industrial sector through support for key industries and strategic interventions in the manufacturing sector.
Integrated Resource Plan (2019)	Outlines the country's energy supply and demand projections and guides the development of the electricity generation sector
National Spatial Economic Development Perspective (NSEDPP) (2006)	To guide spatial development and investment across South Africa, ensuring balanced regional growth and addressing disparities.
South Africa Trade Policy Framework (2010)	To enhance South Africa's trade performance by improving market access, trade relations, and competitiveness in global markets.
Green Economy Framework (2011)	To transition South Africa to a more sustainable and environmentally friendly economy through green technologies and practices.
National Framework for Sustainable Development (2008)	To promote sustainable development by integrating environmental, social, and economic considerations into policy and planning.
National Climate Change Response Strategy (2011)	To address climate change through mitigation and adaptation strategies aimed at reducing greenhouse gas emissions and managing climate risks.
National Air Quality Management Strategy (2007)	To improve air quality and protect human health by reducing air pollution through regulatory measures and enforcement.
National Waste Management Strategy (2011)	To minimize waste generation and promote recycling and waste management practices to protect the environment.
National Integrated Coastal Management Strategy (2000)	To manage and protect South Africa's coastal and marine environments through integrated and sustainable practices.
National Biodiversity Strategy and Action Plan (2005)	To protect South Africa's biodiversity and promote sustainable use of biological resources.
National Green Economy Strategy (2012)	To transition to a low-carbon economy by promoting green economic practices and investments.
National Biofuels Framework (2007)	To enhance energy security, promote environmental sustainability, foster economic development and rural growth, encourage technological innovation, establish a supportive regulatory environment, and ensure social equity in the biofuels sector.
National Framework for Local Economic Development (2018)	To provide strategic guidance to LED agents, actors and their activities in order to achieve innovative, competitive, sustainable, inclusive local economies that maximise local opportunities, address local needs, and contribute to national and provincial development objectives.

POLICY	POLICY OBJECTIVE
National Integrated Small Enterprise Development Master Plan (2023)	To advance the development of a thriving MSME sector that contributes to inclusive economic growth and job creation. Key Focus Areas: Promoting entrepreneurship, Facilitating the growth of MSMEs, providing targeted support to small businesses, and Supporting MSMEs in various sectors and regions, including rural areas and townships
B-BBEE Strategy	To promote economic transformation and empowerment of previously disadvantaged individuals and communities in South Africa
B-BBEE Codes of Good Practice	To address the legacy of apartheid and promote the economic participation of Black People in the South African economy.
SMME Pipeline Framework (2018)	To support the growth and development of small, medium, and micro enterprises (SMMEs) by providing a structured approach to their financing, capacity building, and market access
National Tourism Sector Strategy (2016)	To guide the strategic development and growth of the tourism sector in pursuit of the socio-economic development objectives of the country as espoused in the National Development Plan.
Tourism Sector Masterplan	The plan aims to galvanise government, industry and labour to pursue a common vision that will position the tourism industry on an inclusive, sustainable and competitive path for the benefits of all South Africans
Provincial and Regional Policies	
KwaZulu-Natal Provincial Growth and Development Strategy (2021)	To promote economic development and social progress in KwaZulu-Natal, the Department implements targeted strategies for growth and job creation, aligning with the following key priorities: Priority 1: Capable, Ethical, and Developmental State; Priority 2: Inclusive Economic Growth and Transformation; Priority 5: Spatial Integration; Priority 5: Strategic Infrastructure and Catalytic Projects; Priority 6: Safe Communities and Social Cohesion; Priority 7: Rural Development and Agriculture; Priority 7: Environmental Sustainability and Just Transition; Priority 7: Tourism and Investment; and Priority 7: Better Africa and the World.
KwaZulu-Natal Provincial Spatial Economic Development Strategy (2011)	To guide spatial planning and economic development in KwaZulu-Natal, ensuring balanced regional development.
Provincial Spatial Development Strategy	To promote balanced and sustainable development across the province by guiding the optimal use of land, resources, and infrastructure, while addressing social, economic, and environmental priorities to reduce regional disparities and improve the quality of life for all communities.
Draft KwaZulu-Natal Export Strategy (Draft)	To enhance KwaZulu-Natal's export performance by improving trade opportunities and market access.
KwaZulu-Natal Industrial Development Strategy (2016)	To stimulate industrial growth and development in KwaZulu-Natal through targeted support for key industries.
KwaZulu-Natal Investment Promotion Strategy (2013)	To attract and facilitate investments in KwaZulu-Natal by creating a conducive environment for investors.
KwaZulu-Natal Radical Agrarian Socio-Economic Transformation (RASET) Strategy (2017)	To address historical injustices in land ownership and agriculture by promoting equitable access to resources. It focuses on enhancing agricultural productivity, supporting smallholder farmers, and improving food security while fostering sustainable practices.
RASET Bulk Buying Programme, Implementation & Rollout Plan (2017)	Seeks to leverage collective purchasing power among small-scale farmers and local businesses. By organizing bulk buying groups, participants can access essential inputs (like seeds and fertilizers) at reduced costs, improving profitability and sustainability.
KwaZulu-Natal Township and Rural Economies Revitalization Strategy (2022)	Targets economic growth in townships and rural areas by supporting local businesses, creating job opportunities, and enhancing infrastructure. Key initiatives may include skills development, promoting local entrepreneurship, and improving access to markets.

POLICY	POLICY OBJECTIVE
KwaZulu-Natal Economic Empowerment Strategy for Disabled Persons (2017)	To integrate disabled individuals into the economy through targeted initiatives. It focuses on providing skills training, promoting inclusive workplaces, and ensuring access to resources and opportunities that enable economic participation.
KwaZulu-Natal Women Economic Empowerment Strategy	To foster gender equality and sustainable economic growth by creating an inclusive environment where women have access to the tools, resources, and opportunities needed to achieve financial independence. This will be achieved through an integrated system of business support facilities across the province, with a focus on stimulating economic development and job creation, particularly in rural areas.
Draft KwaZulu-Natal Green Economy Strategy (Draft)	To promote green economic practices and sustainable development in KwaZulu-Natal.
KwaZulu-Natal Agro-Processing Strategy (2018) (Agricultural Master Plan)	To enhance economic growth and job creation by promoting value addition, skills development, market access, sustainability, support for small and medium enterprises, infrastructure development, and innovation within the agro-processing sector.
KwaZulu-Natal Airport Strategy (2015)	To enhance the development and functionality of airports in KwaZulu-Natal to support regional economic growth.
KwaZulu-Natal Small Enterprise Development Strategy (2014)	To support the growth and development of small enterprises in KwaZulu-Natal through targeted interventions and support.
KwaZulu-Natal Cooperative Developments Strategy (2017)	To promote the growth of cooperatives and support cooperative businesses in KwaZulu-Natal.
KwaZulu-Natal Youth Economic Empowerment Strategy (2018)	To empower the youth of KwaZulu-Natal through economic opportunities, education, and skills development.
KwaZulu-Natal Beach Tourism Policy (2018)	To develop and promote beach tourism in KwaZulu-Natal, enhancing the tourism sector's contribution to the regional economy.
KwaZulu-Natal Informal Economic Policy (2018)	To support and formalize the informal economy in KwaZulu-Natal, improving livelihoods and economic opportunities for informal sector workers.
KwaZulu-Natal Tourism Master Plan (2020)	To provide a strategic framework for the development and promotion of tourism in KwaZulu-Natal.
KwaZulu-Natal B-BBEE Strategy (2020)	To provide a strategy that ensures Black people actively and meaningfully participate in the provincial economy through significant ownership, control of private sector businesses, and representation in professional, managerial, and executive roles.
KwaZulu-Natal Climate Change Strategy (2023)	To address climate change impacts across the province. It aims to reduce greenhouse gas emissions, enhance climate resilience, and promote sustainable development through adaptation and mitigation measures. The strategy focuses on building capacity in key sectors, including agriculture, water, energy, and infrastructure, while prioritizing the protection of vulnerable communities, ecosystems, and natural resources. It also emphasizes collaboration across government, the private sector, and local communities to achieve a sustainable, low-carbon, and climate-resilient future for KwaZulu-Natal.
Sector-Specific Policies	
White Paper on the Development and Promotion of Tourism (2024)	The policy envisages a sustainable, competitive, and inclusive tourism sector that leverages innovation and digital technologies, addresses barriers to tourism growth, builds partnerships, and responds to the country's social imperatives.
White Paper on the Rights of Persons with Disabilities (2015)	To promote equality, accessibility, empowerment, social inclusion, and integrated services for persons with disabilities in South Africa, while

POLICY	POLICY OBJECTIVE
	fostering collaboration among various stakeholders to enhance their rights and quality of life.
Mining Beneficiation Strategy (2011)	To promote the value addition of South Africa's mineral resources by enhancing the country's mining and beneficiation processes, supporting economic growth, creating jobs, fostering skills development, and encouraging local and international investment in the mining sector.
Special Economic Zones Policy (2016)	To promote economic growth and development in South Africa by establishing designated areas with streamlined regulations, tax incentives, and infrastructure support to attract domestic and foreign investment, create jobs, and stimulate industrialization, particularly in underdeveloped regions.
National Just Transition Framework (2021)	To guide South Africa's shift to a low-carbon economy by promoting economic resilience, social equity, environmental sustainability, stakeholder engagement, and investment in the green economy to ensure that marginalized communities benefit from this transition.
African Continental Free Trade Area (AfCFTA)	This is a landmark initiative aimed at creating a single market for goods and services across the 54 African Union member states. Launched in 2021, AfCFTA seeks to boost intra-African trade by reducing tariffs, harmonizing trade rules, and improving the movement of goods, services, and investment across the continent. By fostering economic integration, the AfCFTA aims to enhance Africa's competitiveness globally, create jobs, stimulate industrialization, and promote sustainable development. The agreement is expected to significantly boost economic growth, poverty reduction, and regional integration by unlocking the potential of Africa's diverse markets and resources.
Operation Phakisa: Oceans Economy Aquaculture Sector	To fast-track economic growth, job creation, and development by focusing on key sectors, particularly the aquaculture development, fishing industry support, marine manufacturing, coastal and marine tourism, small craft harbours as well as the ocean governance and marine protection services through targeted interventions and partnerships. It aims to drive sustainable, inclusive economic growth and improve the quality of life for citizens.
Social and Inclusivity Policies	
Gender Responsive Planning Budget Monitoring Evaluation and Auditing Framework (2015)	To ensure that gender considerations are integrated into planning, budgeting, and evaluation processes.
National Youth Policy (2009-2014)	To address the needs and aspirations of South African youth through targeted policies and programmes.
South African Youth Development Strategy (2003)	To address youth development through education, employment, health, and social services.
National Disability Policy Framework (2006)	To promote the rights and inclusion of persons with disabilities in all areas of society.
White Paper on The Rights of Persons with Disabilities (2015)	To promote the achievement of equality, legislative and other measures designed to protect or advance persons or categories of persons, disadvantaged by unfair discrimination may be taken.
National Plan for HIV, STIs, and TB (2017)	To improve health outcomes and reduce the impact of HIV, STIs, and tuberculosis through comprehensive prevention, treatment, and support measures.
National Policy on Reasonable Accommodation and Assistive Devices for Employees with Disabilities in The Public Service	To ensure that employees with disabilities have equal access to the workplace by providing necessary accommodations and assistive devices, thereby promoting inclusivity and enhancing their ability to perform effectively in their roles.

POLICY	POLICY OBJECTIVE
(2008)	
National Strategic Plan on Gender based Violence and Femicide	Provide a multi-sectoral, coherent strategic policy and programming framework to ensure a coordinated national response to the crisis of gender-based violence and femicide by the government of South Africa and the country as a whole.
Local Economic Development and Informal Sector	
Local Economic Development Policy Guideline (2006)	To guide local economic development efforts, promoting sustainable growth and development at the community level.
Informal Economic Policy (2013)	To support and regulate the informal economy, improving conditions and opportunities for informal sector participants.
Integrated Urban Development Framework (2016)	To guide urban development and planning, focusing on creating sustainable and inclusive cities.
Urban Development Zones Policy (2004)	To promote investment in underdeveloped urban areas through tax incentives and development support.
Regional Development Framework (2014)	To guide development in South Africa's regions, promoting balanced growth and addressing regional disparities.

The emphasis in most of the current policies and provincial strategies is the issue of addressing the triple challenges of poverty, unemployment and inequality, and the main policy discussions are currently centred on the following:

- **Public Service and Financial Management:** Regulates public administration and financial transparency.
- **Economic Transformation and Job creation:** Promotes fundamental changes in economic structures aiming at reducing unemployment through targeted economic policies.
- **Small Business and Cooperative Growth:** Supports small enterprises and cooperatives.
- **Skills Development:** Improves education, training, and skills for economic participation, targeting vulnerable groups.
- **Rural Economic Development:** Promotes growth in rural areas through targeted strategies.
- **Infrastructure Development:** Invests in essential infrastructure to support economic activities, focusing on industrial zones and economic hubs to boost industrialization and economic growth.
- **Beneficiation and Value Addition:** Enhances the processing of raw materials to increase their value.
- **Trade Policy:** Develops and implements policies to boost trade and economic partnerships.
- **Tourism Enhancement:** Promotes sustainable tourism development.
- **Environmental Protection:** Focuses on biodiversity, air quality, waste, coastal management, climate change and impact mitigation.
- **Spatial Economic Development:** Promotes balanced growth across regions and reduces spatial inequalities.

3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

3.1 The United Nations Sustainable Development Goals, the African Union Agenda 2063, and South Africa's National Development Plan

The United Nations Sustainable Development Goals (SDGs), the African Union Agenda 2063, and South Africa's National Development Plan (NDP) collectively form a comprehensive framework for advancing global and regional development. The SDGs, established in 2015, offer a universal blueprint aimed at addressing pressing global issues such as poverty, inequality, and climate change, with a vision for achieving equitable and sustainable development by 2030 (United Nations, 2015). Concurrently, Agenda 2063, adopted by the African Union in 2013, focuses on Africa's unique challenges and opportunities, promoting economic transformation, regional integration, and inclusive growth (African Union, 2013). South Africa's NDP, launched in 2012, aligns with these frameworks by targeting national priorities such as poverty alleviation, economic growth, and state capability, thus supporting both global and continental objectives (National Planning Commission, 2012).

Image: Alignment of the Global and National Priorities



Source: OTP MTDP & PGDS Presentation, 2024

In this context, EDTEA plays a pivotal role in implementing these development agendas at the provincial level. The Department's focus on economic transformation, job creation, and sustainable development aligns with the SDGs and Agenda 2063, emphasizing local economic growth and social cohesion. Public entities under EDTEA further contribute by executing sector-specific initiatives that support these broader goals. For example, entities involved in tourism and environmental management drive sustainable practices and enhance regional economic opportunities, ensuring that provincial efforts are in harmony with national and international development objectives.

3.2 National and Provincial Priorities

South Africa, having established a democratic state rooted in a progressive Constitution, has made significant strides in reducing poverty and expanding access to basic services, thereby promoting the realization of fundamental rights (South African Government, 2023). Since the end of apartheid, the country has witnessed substantial economic transformation. However, as we mark thirty years of democracy, the nation continues to face profound social and economic challenges.

Images: Symbol of Democracy: An image of the South Africans celebrating democracy, reflecting the strides made since 1994



Source: Google Photos

Despite progress, economic growth has not been sufficient to generate the number of jobs needed, leaving many South Africans still excluded from the economic mainstream (Stats SA, 2024). Access to essential services like education and healthcare remains unequal, while corruption and the legacy of state capture have undermined state capability (Corruption Watch, 2024). Moreover, growing polarization along ethnic and racial lines threatens social cohesion. In this context, it is crucial to strengthen our Constitutional democracy and rule of law, foster inclusive economic growth, and eradicate corruption.

3.2.1 Medium-Term Development Plan 2024 -2029

The MTDP 2024-2029 emerges from a thorough evaluation of current challenges, reflecting insights from various reviews such as the 30-Year Review, the NDP 10-Year Review, and the Indlulamithi Scenarios 2035. Through sector workshops and stakeholder contributions, the plan's structure has been meticulously refined. At its core, the updated MTDP prioritizes Inclusive Economic Growth and Employment, highlighting the need for targeted interventions to drive meaningful change (National Planning Commission, 2024). Fundamental principles guiding the plan include respect for the Constitution and the Rule of Law, promotion of non-racialism and non-sexism, advancement of social justice, and commitment to accountability, transparency, and community participation.

To effectively address these priorities, the MTDP is organized around three strategic pillars: Inclusive Economic Growth & Job Creation, Maintaining and Optimizing the Social Wage, and A Capable, Ethical & Developmental State. To ensure successful implementation, the plan will align strategies with clear outcomes that contribute to NDP goals. This includes developing a robust results framework with defined indicators and using Clusters to finalize components and confirm targets.

The Minimum Programme of Priorities focuses on rapid, inclusive, and sustainable economic growth, job creation, and the reduction of poverty, while addressing the high cost of living. It emphasizes enhancing basic service delivery, investing in education and healthcare, and rebuilding the state's capabilities through professional public service initiatives. Additionally, the plan aims to strengthen law enforcement to combat crime and corruption, foster social cohesion, and implement a foreign policy

grounded in human rights and national interests. Through these initiatives, the MTDP aims to create a more equitable and prosperous society.

Table: Summary of Outcomes and Initiatives for Inclusive Growth and Job Creation (Priority 1)

OUTCOME	KEY INITIATIVES AND ACTIONS
Increased Employment and Work Opportunities	<ul style="list-style-type: none"> - Work with private sector and labour to protect jobs in vulnerable sectors. - Sustain jobs in eco-tourism by enhancing key SANParks sites (Kruger, Kirstenbosch, iSimangaliso, etc). - Continue implementing public employment programmes (e.g., Presidential Employment Stimulus, National Youth Service, Expanded Public Works). - Prioritize work experience for young people. - Re-envision and redesign EPWP focusing on training, development, and conversion of opportunities into permanent jobs.
Accelerated Growth of Strategic Industrial and Labour-Intensive Sectors	<ul style="list-style-type: none"> - Drive growth in labour-intensive sectors like business services, agriculture, manufacturing, mining through master plans. - Increase domestic tourism value and the number of domestic trips. - Launch new eco-tourism initiatives by 2029, reduce poaching. - Strengthen industrial policy incentives with results-based and targeted approaches. - Develop industrial parks and Special Economic Zones. - Focus on mineral processing to export finished products, not raw commodities. - Increase access to blended finance for emerging farmers in export crops and expand access to markets through trade agreements. - Ratify and implement bilateral agricultural agreements with target countries.
Enabling Environment for Investment and Improved Competitiveness	<ul style="list-style-type: none"> - Continue structural reforms through Operation Vulindlela, initiating a second wave. - Support small businesses, entrepreneurs, and cooperatives, especially in townships and rural areas. - Mainstream red tape reduction to ease regulatory burdens on businesses. - Streamline support for small enterprises, entrepreneurs, and cooperatives. - Implement Freight Logistics Roadmap to enhance private investment and increase port and rail efficiency. - Reform Visa regime to attract skills and investment for economic growth and tourism. - Ensure universal internet access and access to devices (4G/5G smartphones).
Increased Infrastructure Investment and Access	<ul style="list-style-type: none"> - Invest in energy, communications, water, and transport infrastructure, especially in underserved areas. - Deploy the Adopt-a-Municipality program to improve municipal infrastructure service delivery.

OUTCOME	KEY INITIATIVES AND ACTIONS
	<ul style="list-style-type: none"> - Implement the 8 Pathways for accelerating infrastructure investment and improving efficiency. - Redevelop existing harbors and develop new ones using spatial development frameworks. - Foster a competitive ICT regulatory environment.
Improved Energy Security and a Just Energy Transition	<ul style="list-style-type: none"> - Continue implementing the Energy Action Plan for long-term energy security. - Expedite the rollout of the Transmission Development Plan and strengthen the transmission network. - Implement the Just Energy Transition Investment Plan (JET-IP) to ensure a transition to a low-carbon economy while supporting affected communities and workers. - Establish the JET Skills Desk to guide skills development for identified sectors. - Build institutional capacity of TVET Colleges to train and test artisans linked to high-demand and critical skills. - Set up the Boegoebaai Special Economic Zone to drive investment in green hydrogen projects. - Enforce Climate Change Act provisions and engage stakeholders on compliance programmes.
Increased Investment, Trade, and Tourism	<ul style="list-style-type: none"> - Prioritize implementation of the African Continental Free Trade Area (AfCFTA) to increase exports to Africa. - Facilitate exports through a whole-of-government approach to export-led industrialization. - Strengthen economic diplomacy with trading partners. - Attract domestic and foreign investment through greenfield and brownfield projects.
Dynamic Science, Technology, and Innovation Ecosystem	<ul style="list-style-type: none"> - Grow and transform South Africa's science, technology, and innovation capabilities, human resources, and research infrastructure. - Promote e-commerce and digital platforms for economic growth.
Supportive and Sustainable Economic Policy Environment	<ul style="list-style-type: none"> - Ensure macroeconomic policies support growth and employment, stabilize debt for fiscal sustainability.
Skills for the Economy	<ul style="list-style-type: none"> - Implement infrastructure programmes to establish new CET institutions. - Develop annual enrolment plans for universities, TVET, and CET colleges inclusive of open learning principles.
Economic Transformation	<ul style="list-style-type: none"> - Support sustained broad-based black economic empowerment initiatives.

Table: Summary of Outcomes and Initiatives for Strengthening Public Sector Trust, Ethical Governance, and International Diplomacy (Priority 3)

OUTCOME	KEY INITIATIVES AND ACTIONS
Trust in the Public Sector	<ul style="list-style-type: none"> - Integrated urban and rural planning and management. - Professionalize the Public Sector, including Public Entities. - Implement recommendations from the Personnel Expenditure Review to manage the wage bill within the entire public sector. - Improve efficiency, ease of doing business, and productivity in the public sector. - Conduct Institutional Reviews and Skills Audits to ensure state institutions are execution-driven and aligned with mandates and public value. - Bring stability to the Public Sector to restore the delivery of services. - Strengthen enforcement mechanisms, implement climate change laws, and enhance reporting systems. - Train new staff members in conservation management and sustainable tourism by 2029.
Digital Transformation Across the State	<ul style="list-style-type: none"> - Digitalisation of Government processes and services. - Enhance digital transformation in regulatory processes and streamline environmental approval procedures.
Ethical Public Service	<ul style="list-style-type: none"> - Promote ethical conduct, integrity, professionalism, and service delivery in the public sector.
Mainstreaming of Gender, Empowerment of Youth and Persons with Disabilities	<ul style="list-style-type: none"> - All spheres of government and organs of state to adopt and implement WYPD-responsive planning and budgeting, including integration of the National Strategic Plan on GBVF.
Combat Priority Offences (Economic, Organised Crime and Corruption)	<ul style="list-style-type: none"> - Address illicit economy crimes, organised crime (including serious commercial crime and cybercrime) through prevention, investigation, prosecution, and conviction via the Integrated Organised Crime Plan. - Increase the recovery of money and assets derived from unlawful conduct and crime.
Strengthened Diplomacy and Advancement of South Africa's National Interest and Values	<ul style="list-style-type: none"> - Contribute to periodic reviews of programmes focused on peace, security, and economic integration. - Implement the Just Energy Transition Investment Plan (JET-IP) to ensure South Africa's transition to a low-carbon economy. - Build state capacity through global public and private partnerships focusing on knowledge and people-to-people exchanges. - Contribute Science, Technology, and Innovation (STI) funding to socio-economic development through international partnerships.

For the Department to contribute effectively towards inclusive and sustainable economic growth and job creation, the MTDP outlines several Outcomes:

OUTCOMES (Means to an end)	OUTCOMES (Desired End)	THEORY OF CHANGE (High Level)
Enabling environment for investment and improved competitiveness	Increased employment and work opportunities	IF the ideal future state (vision) is a dynamic and inclusive economy that enables growth and development, fosters vibrant tourism and nurtures a sustainable environment. THEN we will achieve this (mission) by enabling inclusive economic transformation, growth and development through trade, investment and tourism while ensuring sound environmental management and climate resilience. WE EXIST (public value statement) as the EDTEA because the public expects us to enhance the quality of life for the people of KwaZulu-Natal by enabling inclusive economic growth, environmental sustainability, climate resilience and sustainable tourism. WE SHALL fulfil our mandate (value proposition) by facilitating and enabling a conducive environment for economic growth, trade, and investment while monitoring and ensuring compliance with an ethical and consumer-protected environment. WE SHALL ensure that our safe and inclusive tourism environment celebrates our natural resources, cultural heritage, local cultures, and traditions whilst enjoying eco-friendly experiences. We shall further ensure that local economies and ecosystems practice social responsibility and environmental stewardship.
Economic transformation for a just society	Accelerated growth of industrial and labour-intensive sectors	
Supportive Economic Policy Environment	Increased Investment, Trade, and Tourism	
A dynamic science, technology, and innovation ecosystem for growth	Increased infrastructure investment, access, and efficiency	
Energy security and a Just Energy Transition		
Improved trust in the public sector		
Improved trust in local government		

The table below illustrates how the MTDP aligns with both the NDP Vision 2030 and the PGDS, mapping key priorities in each strategy. It also highlights how the Department is responding to these priorities through specific programmes and interventions.

Table: Alignment of National, Provincial and EDTEA Priorities

NDP Vision 2030	MTDP	PGDS 2021	Responding EDTEA Programmes
Ch3. Economy and employment; Ch4. Economic infrastructure; Ch5. Ensuring environmental sustainability and an equitable transition to a low-carbon economy; Ch6. An integrated and inclusive rural economy; and Ch8. Transforming human settlement and the national space economy	Strategic Priority 1: Inclusive economic growth and job creation	Priority 2: Inclusive Economic Growth and transformation; Strategic Infrastructure and Catalytic Projects Priority 5: Spatial Integration; Rural Development and Agriculture; Human Settlements; Environmental sustainability; Just Transition and Climate Change and Basic Services Priority 7: Better Africa and World; Tourism and Investment	P2: Integrated Economic Development Services and Business Regulations; P3: Trade, Sector and Tourism Development; P4: Economic Research Strategy and Planning; and P5: Environmental Management
Ch13. Building a capable and developmental state; Ch12. Building safer communities Ch14. Fighting corruption	Strategic Priority 3: A capable, ethical, and developmental state	Priority 1: Capable Ethical and Developmental State Priority 5: Spatial Integration Spatial Integration and local government Priority 6: Safe Communities and Social Cohesion and Moral Regeneration Priority 7: Better Africa and World	P1: Administration; P2: Integrated Economic Development Services and Business Regulations; Trade, Sector and Tourism Development; Economic Research Strategy and Planning; and Environmental Management

3.2.2 National Spatial Development Framework (2022), Kwazulu-Natal Provincial Spatial Development Framework (2022), Kwazulu-Natal Provincial Growth and Development Strategy, and Kwazulu-Natal Spatial Development Strategy

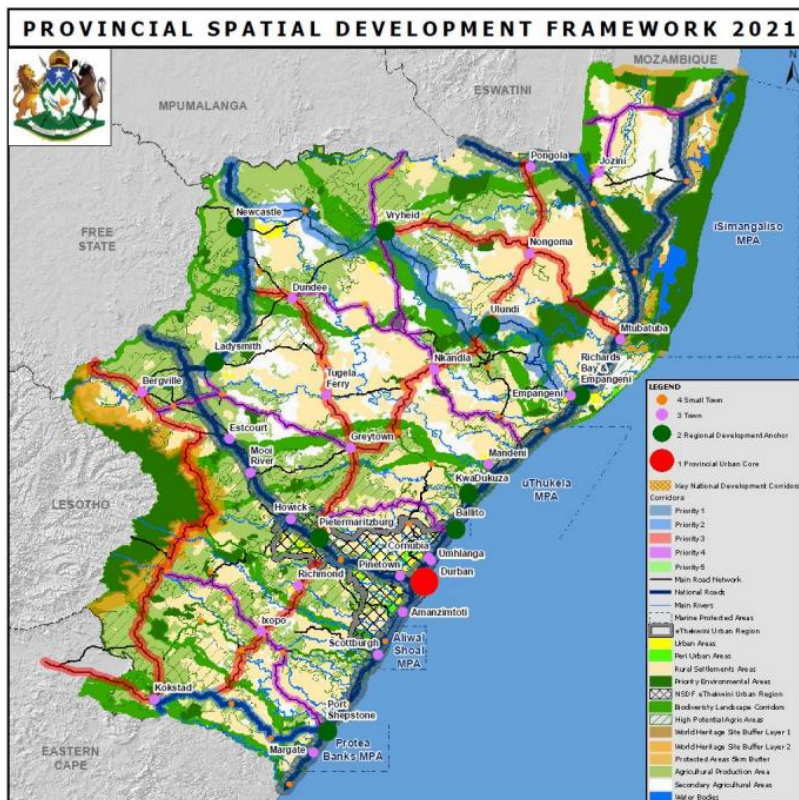
The Department aligns its strategic objectives with the outcomes of the National Spatial Development Framework (NSDF), the KwaZulu-Natal Provincial Spatial Development Framework (PSDF), and the KwaZulu-Natal Provincial Growth and Development Strategy (PGDS) to promote inclusive, sustainable, and integrated development in KwaZulu-Natal. Below are the key areas of alignment:

1. **Balanced and Integrated Settlement Patterns:** EDTEA is committed to fostering balanced regional development by implementing initiatives such as the KZN Township and Rural Economies Revitalization Strategy. This strategy focuses on supporting economic activities in rural areas and small towns, providing infrastructure support, and creating job opportunities outside of urban centres. Through these efforts, EDTEA aims to reduce economic disparities and promote more integrated settlement patterns.
2. **Corridor Development and Connectivity:** EDTEA is actively involved in developing economic corridors like the Dube Trade-Port and Richards Bay Industrial Development Zone (IDZ). These corridors are designed to enhance regional connectivity, stimulate trade, and attract investment. By improving transportation networks and logistical infrastructure, EDTEA supports the KZN's goal of creating strategic economic linkages across the province and beyond.
3. **Promotion of Functional Regions:** To support the development of functional regions, EDTEA is enhancing regional economic clusters, such as the tourism, agri-business, and manufacturing clusters. This involves promoting collaboration among municipalities, businesses, and communities to create self-sustaining regional economies. EDTEA's approach aligns with the KZN's vision of integrated regional development that transcends municipal boundaries.
4. **Strengthening Rural Economies:** EDTEA is dedicated to strengthening rural economies through the implementation of rural development programmes that focus on agro-processing, rural tourism, and small business support. Initiatives like the establishment of Fresh Produce Markets in rural areas aim to create sustainable livelihoods and economic opportunities, aligning with the KZN's objective of developing diversified and robust rural economies.
5. **Spatial Alignment with Infrastructure Investment:** EDTEA ensures that its infrastructure investments, such as those in industrial parks and tourism infrastructure, are aligned with spatial planning frameworks. The Department works closely with provincial and national planning bodies to prioritize projects that unlock economic potential in underdeveloped areas, supporting the KZN's call for strategic infrastructure development.
6. **Urban Regeneration and Densification:** EDTEA supports urban regeneration initiatives, particularly in townships and former disadvantaged areas, by providing financial and technical support to small businesses and cooperatives. Projects such as the revitalization of township economies and upgrading of urban centres align with the KZN's focus on densification and the optimal use of urban land.
7. **Environmental Protection and Climate Resilience:** EDTEA's commitment to environmental management and sustainability is reflected in its initiatives such as the implementation of the

KwaZulu-Natal Climate Change and Green Economy Strategy. The Department promotes sustainable development practices, supports the protection of biodiversity, and encourages green infrastructure projects, aligning with the KZN's environmental and climate resilience objectives.

8. Social and Economic Inclusivity: EDTEA is dedicated to promoting social and economic inclusivity through its Black Economic Empowerment (BEE) programmes, women, youth, and individuals with disabilities empowerment initiatives, and support for small, medium, and micro enterprises (SMMEs). These efforts aim to reduce inequality and create economic opportunities for marginalized groups, aligning with the KZN's goal of fostering social and economic inclusivity.
9. Enhanced Governance and Institutional Capacity: EDTEA continuously works to strengthen its institutional capacity and improve governance by enhancing data management, planning processes, and intergovernmental coordination. This is achieved through initiatives such as the development of the Provincial Growth and Development Strategy (PGDS) and the integration of spatial planning into the department's strategic framework, supporting the KZN's call for improved governance and planning capacity.
10. International and Regional Integration: EDTEA supports South Africa's regional and international integration by promoting trade and investment opportunities through platforms such as Trade and Investment KwaZulu-Natal (TIKZN). The Department's focus on attracting foreign direct investment (FDI) and enhancing regional trade partnerships aligns with the KZN's objective of positioning South Africa as a gateway to the Southern African region.

Figure: Consolidated KZN SDF Map, 2021



Source: KZNPSDF, 2021

The Department aligns with the KZN Spatial Development Framework (2021) by supporting sustainable economic growth, tourism development, and environmental management in key areas identified in the spatial plan. EDTEA ensures that investments and infrastructure development are strategically directed towards areas with high growth potential, fostering balanced regional development. This alignment helps to reduce spatial disparities, enhances service delivery, and promotes job creation in line with the provincial development objectives outlined in the KZN Spatial Development Plan.

3.3 Alignment with Social Cohesion and Moral Regeneration

The Department integrates the principles of Social Cohesion and Moral Regeneration across a wide array of strategic initiatives and programmes. The following highlights some of these key efforts, which align with national and provincial priorities aimed at fostering a socially cohesive and ethically responsible state. This is not an exhaustive list of initiatives but serves to illustrate the Department's alignment with broader goals, particularly in relation to Outcome 1 (Social-Cultural Diversity), Outcome 2 (Economic Equality through Inclusive Economic Growth), and Outcome 4 (Reduction in Social Ills).

3.3.1. Context of Social Cohesion and Moral Regeneration: EDTEA highlights the critical importance of social cohesion and moral regeneration as part of its broader mission to contribute to the development of a capable and ethical state. This commitment is demonstrated through the Department's alignment with national priorities, particularly those focusing on inclusive economic growth and the mitigation of social disparities.

3.3.2. Focus on Building Social Cohesion: The Department's focus on social cohesion and moral regeneration is embedded within its outcomes. These include promoting Black Economic Empowerment, empowering youth, and women, and supporting small, medium, and micro enterprises. These initiatives seek to reduce inequality, create sustainable economic opportunities, and address the needs of historically marginalized communities.

3.3.3. Specific Programmes: The Department has developed and implemented specific programmes that focus on fostering social cohesion and moral regeneration, including:

- **Socio-Economic Development Programmes/Projects:** These initiatives address historical disadvantages and support business growth in rural and township areas.
- **Youth Economic Empowerment:** Financial support, mentorship, and skills development for young entrepreneurs, particularly in high-growth sectors, to encourage their active participation in the economy.
- **Women Economic Empowerment:** Financial support, mentorship, and market access to foster gender inclusivity and economic participation among women entrepreneurs.
- **Community-Based Tourism:** Initiatives that promote local community involvement in tourism development, ensuring equitable economic benefits and fostering social cohesion.
- **Environmental Education and Capacity Building:** Promoting environmental stewardship and responsible citizenship through educational programmes targeting both schools and communities.

- **Tourism and Heritage Site Development:** Supporting the sustainable development and management of local tourism and heritage sites to benefit communities economically and socially.
- **Business Compliance and Inspections:** Regular province-wide business inspections aimed at ensuring compliance with applicable business legislation and improving overall business practices.
- **Appeals and Legal Processes:** Efficient processing and resolution of appeals within the regulatory framework to ensure fairness and transparency.
- **Tourism Development and Regulatory Initiatives:** Efforts aimed at improving business compliance, enhancing tourism investment, and fostering a more competitive and sustainable tourism sector.

3.3.4. Strategies for Promoting Social Unity: EDTEA's strategies for promoting social unity and ethical behaviour are integrated into its community development programmes. These initiatives foster collaboration among diverse community groups and promote values such as integrity, accountability, and transparency, particularly within the public service. Through these efforts, the Department seeks to build a unified society that is committed to the principles of social justice and ethical governance.

3.4 Operation Sukuma Sakhe (OSS) and District Development Model (DDM)

In the coming years, the Department will advance its goals through several strategic initiatives. One of the key programmes is **Operation Sukuma Sakhe (OSS)**, which aims to enhance service delivery and community engagement. By integrating fieldworkers into local areas, OSS will address community needs more effectively, ensuring that interventions are tailored to specific local contexts (KZN EDTEA, 2024).

EDTEA will also focus on driving economic development through infrastructure projects that create job opportunities and support local economies. Initiatives such as **"Operation Vula"** will play a crucial role in this effort, targeting the enhancement of agricultural productivity and rural economic growth (EDTEA, 2024). Additionally, the Department will promote tourism through community-based efforts, leveraging local assets to boost regional economic opportunities while emphasizing environmental sustainability. This approach aims to ensure that economic growth aligns with ecological preservation and sustainable practices (KZN EDTEA, 2024).

EDTEA will be instrumental in the **District Development Model (DDM)**, focusing on several key objectives:

- **Institutionalizing Long-Term Co-Planning:** Enhancing sustainable development through collaborative planning processes that integrate various stakeholders and align with long-term development goals (National Planning Commission, 2024).
- **Pursuing Spatial Transformation:** Addressing spatial inequalities by promoting balanced regional development and ensuring equitable access to resources and opportunities (EDTEA, 2024).

- **Integrating Planning, Budgeting, and Implementation:** Streamlining processes across different levels of government to improve efficiency and effectiveness in service delivery (EDTEA, 2024).

To support these objectives, EDTEA will enhance public participation, deliver integrated services, and strengthen monitoring and evaluation systems to promote transparency and accountability (KZN EDTEA, 2024). The Department will also ensure that infrastructure development is adequate to support local economic growth, emphasizing the importance of fostering economic opportunities at the local level (National Planning Commission, 2024).

3.5 EDTEA's Alignment with the STI Decadal Plan

In alignment with the Science, Technology, and Innovation (STI) Decadal Plan (2022–2032), the Department is driving inclusive economic growth in KwaZulu-Natal by focusing on youth, women, and persons with disabilities. EDTEA is addressing systemic challenges through initiatives that promote skills development, entrepreneurship, and job creation within the STI sectors. Key projects such as the eDumbe Innovation Hub, Emerging Designers Incubation Programme, Electric Vehicle Programmes, Maritime Skills Training, and Solar Panel Installation Training exemplify the department's commitment to fostering innovation. Additionally, EDTEA supports small businesses and cooperatives through projects like the Vula Detergents Centre, KZN Bakery Incubator, and KZN Marketplace Trading Portal, while also offering essential services and job opportunities through the One-Stop-Shop Centres and Municipal Employment Initiatives (MEI).

Sector-specific programs such as the Agro-processing Market Access Programme, Wood & Furniture Design Programme, Digital Animation & Gaming, and Cannabis/Hemp Commercialisation encourage sectoral growth and innovation. EDTEA is also promoting sustainable business practices with projects like the Madadeni Clothing & Textile Hub and renewable energy initiatives. Furthermore, EDTEA has implemented various projects to support both small businesses and entrepreneurs, such as the B-BBEE Verification, TRER Capacity Building Initiatives, and Artisan Development Programmes, which offer training, compliance support, and access to markets. The department also focuses on youth development through initiatives like the Youth in Real Estate Training and Placement Programme, Youth Enterprise Development, and Youth Funding Initiatives, providing them with training, mentorship, and access to funding opportunities.

EDTEA is promoting digital transformation and market access with the TRER Digitisation Support Programme and the KCEP Export Competitiveness Programme. Environmental sustainability is also a key focus, with initiatives like the eWaste Recycling Capacitation Program and the Scientific Services Panel to monitor environmental conditions. Infrastructure projects, including the development of key airports and the Techno Hubs Innovation Centre, along with the review of the KZN Trade & Investment strategy, further support economic growth in the province. Through these initiatives, EDTEA is advancing sustainable economic development while ensuring that marginalized groups have access to opportunities, thus aligning with the broader goals of the STI Decadal Plan.

3.6 EDTEA's Alignment with the Operation Phakisa

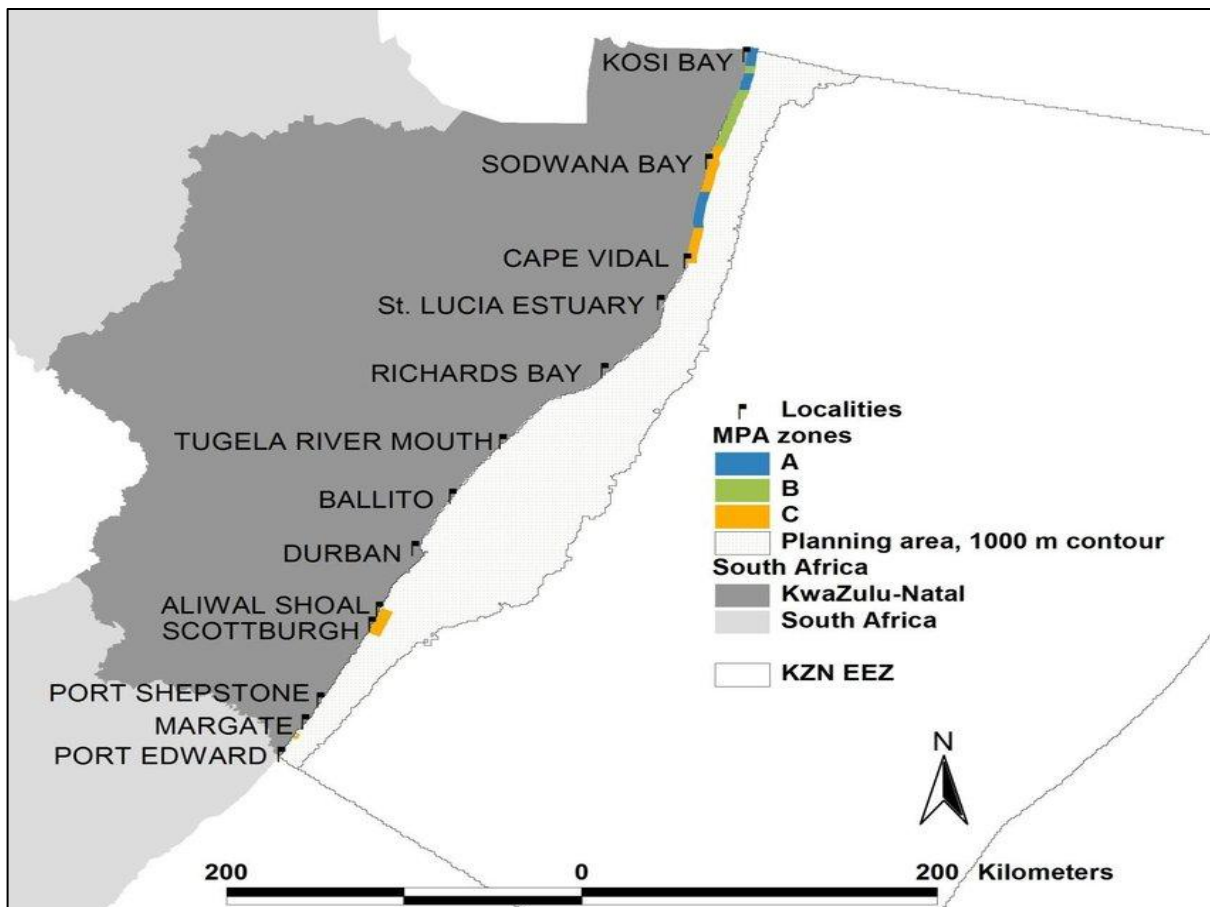
The Department has undertaken several initiatives to support the growth of the Oceans Economy in the province, contributing to job creation and sustainable resource management. Here are the details:

- **Support for the Oceans Economy:** EDTEA has implemented various projects aimed at enhancing the Oceans Economy, including the development of the **Maritime Skills Training** programme, which focuses on equipping individuals with the necessary skills for careers in maritime sectors.
- **Job Creation:** The Department contributes to the goal of creating over one million jobs by 2033 through initiatives that promote sectors such as **aquaculture, marine tourism, and offshore activities**. By fostering a conducive environment for investment and supporting small, medium, and micro enterprises (SMMEs) in these sectors, KZN EDTEA aims to stimulate economic growth and job creation. Moreover, **marine manufacturing**, wherein a three phased approach has been implemented with phase one being the establishment of the boat building park to co-locate boat builders in order to share resources and leverage the economies of scale.
- **Marine Spatial Planning:** EDTEA is involved in the implementation of **Marine Spatial Planning**, which is crucial for sustainable ocean resource management. This planning process helps to allocate ocean space for various uses while ensuring the protection of marine ecosystems. The Department's efforts in this area align with broader environmental management strategies and contribute to the sustainable use of ocean resources.
- **Promotion of Aquaculture:** The Department plays a significant role in promoting **aquaculture** by providing support through initiatives like the **Kosi Bay uTshwayelo Aquaculture and Fish Processing Facility**, which strengthens the aquaculture sector and creates job opportunities. This facility not only supports local fish farming but also enhances food security and economic resilience in coastal communities.
- **Creation of Marine Protected Areas:** EDTEA supports the establishment of **Marine Protected Areas (MPAs)** as part of its commitment to conservation and sustainable ocean management. These areas are essential for protecting biodiversity and ensuring the long-term health of marine ecosystems, aligning with the objectives of **Operation Phakisa: Oceans Economy**.
- **Skills Development Programmes:** The Department offers various **skills development and capacity-building programmes** aimed at local communities to ensure they benefit from opportunities in the Oceans Economy. These programmes include training in maritime skills, aquaculture practices, and sustainable fishing techniques, which empower communities to engage in ocean-related economic activities.
- **Collaboration with Other Sectors:** EDTEA collaborates with businesses, academic institutions, and government entities to drive the success of **Operation Phakisa: Oceans Economy** in KwaZulu-Natal. This collaboration is vital for leveraging resources, sharing knowledge, and implementing effective strategies that enhance the Oceans Economy.
- **Boosting Marine Transport and Coastal Tourism:** The Department has initiated projects to enhance **marine transport, offshore oil and gas activities, and coastal tourism**. These initiatives

aim to improve infrastructure, attract investment, and promote KwaZulu-Natal as a premier destination for marine-related activities.

- **Economic Opportunities in the Exclusive Economic Zone (EEZ):** KZN EDTEA has identified key economic opportunities within the province, focusing on sectors such as marine tourism, fisheries, and renewable energy. The Department is actively working to leverage these opportunities for growth, ensuring that local communities and businesses can benefit from the economic potential of the ocean.

Figure: Map of the KwaZulu-Natal Exclusive Economic Zone (EEZ), showing the planning area and current configuration of marine protected areas.



Source: Haupt, Philip. (2011)

3.7 Opening of Parliament Address by President, 18 July 2024 and the Role of KZN EDTEA

On July 18, 2024, President Cyril Ramaphosa delivered a powerful address at Cape Town City Hall, coinciding with Nelson Mandela's birthday. Reflecting on recent natural disasters and the urgent need for recovery, he emphasized unity and community support as essential to overcoming challenges. Ramaphosa highlighted the recent elections, where voters expressed a desire for political cooperation to address pressing issues such as poverty, unemployment, inequality, and inadequate infrastructure. He announced the establishment of a Government of National Unity, comprising various political parties working together on a Minimum Programme aimed at fostering inclusivity, economic growth, and job creation over the next five years. The Government's objectives include driving inclusive economic growth, reducing poverty, enhancing education and healthcare access, and building a capable, ethical state through infrastructure investment and skill development.

This address holds significant implications for the KwaZulu-Natal Economic Development, Tourism and Environmental Affairs. As Ramaphosa's Government of National Unity prioritizes inclusive economic growth and infrastructure development, KZN EDTEA is poised to align regional policies with national objectives. The focus on renewable energy and the digital economy presents opportunities for the province to enhance its economic landscape, attract investment, and create jobs, particularly in tourism and environmental sustainability. Additionally, the emphasis on collaboration among civil society, the business sector, and local communities can foster innovation and address local challenges. By actively engaging with these stakeholders, KZN EDTEA can contribute to reducing poverty and unemployment in the region, ultimately supporting the overarching goal of creating a more equitable and prosperous South Africa.

3.8 State of The Nation Address and Provincial Address Commitments 2025/26

On 6 February 2025, President Cyril Ramaphosa delivered the State of the Nation Address, outlining the government's key priorities to address South Africa's economic and social challenges. He emphasized the need for economic growth, job creation, infrastructure development, and inclusivity, particularly for marginalized groups like women, youth, and persons with disabilities. The President also highlighted plans to strengthen public services, invest in green industries, and position South Africa for long-term prosperity, aiming to create an equitable and sustainable future for all citizens.

For the 2025-26 financial year, the Department of Economic Development, Tourism, and Environmental Affairs, along with its Public Entities, will focus on several key areas to drive economic growth and address South Africa's socio-economic challenges. These areas include:

KEY AREAS	SONA COMMITMENTS
Economic Growth and Job Creation	<ul style="list-style-type: none">- Support initiatives to grow the economy, reduce poverty, and create jobs through infrastructure investment and economic reform.- Focus on empowering historically marginalized groups, such as women, youth, and persons with disabilities.

KEY AREAS	SONA COMMITMENTS
	<ul style="list-style-type: none"> - Expand support for SMEs and the informal economy, streamline funding, and unlock venture capital. - Develop a regulatory environment that enables informal enterprises to thrive. - Help implement a R20 billion-a-year transformation fund to support black-owned businesses, SMEs, and entrepreneurs, with a special focus on the inclusion of women and persons with disabilities in the economy.
Strengthening the Public Service	- Assist in building a professional, ethical, and skilled public service that serves citizens with dignity and respect.
Technology and Government Transformation	- Invest in digital infrastructure to improve government operations and access to services for citizens, including the implementation of a digital identity system.
Infrastructure Projects and Funding	- Invest in infrastructure through public entities for ports, harbours and critical projects to unlock economic opportunities in communities
Strengthening Governance of Public Entities	- Support improvement governance models for public entities, ensuring strategic infrastructure serves the public good, while attracting private investment for service improvement.
Leveraging Strengths for Future Industries	- Support the development of green manufacturing, renewable energy, and the digital economy, positioning South Africa as a leader in these emerging sectors.
Agricultural and Mining Sector Growth	<ul style="list-style-type: none"> - Support farmers and improve rural supply chains to expand agriculture. - Invest in hemp and cannabis production to boost agricultural output.
Tourism Sector Growth	- Promote the growth of financial services, retail, hospitality, and tourism.
Youth Employment and Skills Development	- Encourage businesses to support Youth Employment Service and scale up workplace experience opportunities.

On February 28, 2025, Premier Thamsanqa Ntuli delivered his State of the Province Address at the KwaZulu-Natal Provincial Legislature, highlighting the government's unwavering commitment to addressing the critical challenges of economic growth, job creation, community empowerment, and enhancing the quality of life for all South Africans. As the Premier emphasized, the realization of these goals depends on a government that is efficient, accountable, and devoted to excellence. In alignment with national priorities, KwaZulu-Natal has outlined eight key focus areas: revitalizing the economy, strengthening local governance, promoting sustainable development, advancing healthcare and education, improving human settlements and infrastructure, enhancing community safety, addressing climate change, and fostering a capable, ethical, and developmental state.

The table below details the focus areas pertinent to EDTEA and its specific commitments:

KEY AREAS	SOPA COMMITMENTS	EDTEA'S RESPONDING INTERVENTIONS
Growing the Economy,	Target of securing R4 billion in investments in 2025/26, generating 5,000 potential jobs. Business expansion projects valued at R1.1 billion.	Trade and Investment KwaZulu-Natal

KEY AREAS	SOPA COMMITMENTS	EDTEA'S RESPONDING INTERVENTIONS
Creating Jobs and Infrastructure Development	Dube TradePort: Focus on securing R500 million in private sector investments, with a targeted creation of 1,250 new permanent jobs and 250 temporary jobs.	Dube TradePort Corporation
	RBIDZ Expansion: Expand industrial sites to attract investors and drive manufacturing growth.	Richards Bay Industrial Development Zone
	Nyanza Light Metals Project in RBIDZ: Commence construction of the commercial plant in July 2025 after site preparation (81% complete). Create over 3,000 construction jobs.	Richards Bay Industrial Development Zone
	LNG Projects in Richards Bay: Continue supporting joint investment in LNG projects by TNPA and Zululand Energy Terminals Consortium. Create over 1,200 job opportunities.	Richards Bay Industrial Development Zone
	Wilmar Processing SA (Pty) Ltd Investment: Continue investment, with phase 2 potentially increasing the value to more than R2 billion.	Richards Bay Industrial Development Zone
	Urban Development and Property Investment Projects: Virginia Airport Redevelopment: Transform the site into a luxury tourism and residential hub.	Trade & Investment KZN: Beach Wood Lifestyle Estate
Oceans Economy	Future Focus Areas in the Oceans Economy: Develop the aquaculture sector, promote marine manufacturing, strengthen ocean governance and marine protection, boost coastal and marine tourism, enhance maritime skills and training development, and focus on the development of small craft harbors.	Programme 3: Maritime and Logistics: Utshwayelo Fish Farm Commercialization; Boat Building Park (Phase 1); Marine Protected Areas (MPAs) Management; Conservation-Focused Tourism (Ezemvelo KZN Wildlife); Maritime Skills Development Programme (Sandock Austral Shipyards); Small Craft Harbours (Port Edward and Hibberdene)
	KwaZulu-Natal Sharks Board Bather Protection Programme: Continue the KwaZulu-Natal Sharks Board bather protection programme to ensure public confidence in beach safety against shark attacks.	KwaZulu-Natal Sharks Board
Green Economy and Climate Resilience	Green and Smart Municipality Projects: Invest in green and smart municipal projects, including biogas initiatives and solar PV installations.	Programme 3: Strategic industrial Interventions: Sectoral Transformation Funded Projects
	Transformative River Management Programme: Implement the Transformative River Management Program to enhance environmental sustainability.	Programme 5: Climate Change Adaptation & Mitigation: Eco-systems-based adaptation project for climate resilience.
	Environmental and Waste Economy Job Creation: Create 7,725 work opportunities in environmental	Programme 5: Coastal and Biodiversity

KEY AREAS	SOPA COMMITMENTS	EDTEA'S RESPONDING INTERVENTIONS
	public employment and waste economy programmes, focusing on youth, women, and people with disabilities.	Management: Training and Development of EPWP Participants; Invasive Alien Plant Species Clearing Projects
	Circular Economy Promotion: Promote the circular economy, focusing on waste reduction and sustainable practices.	Programme 5: Environmental Quality Management: Waste separation project, E-Waste Recycling Capacitation Project. KZN IWMP
	Provincial Climate Change Strategy Implementation: Continue implementing the Provincial Climate Change Strategy, coordinating efforts across all sectors to address climate change impacts and mobilize resources.	Programme 5: Climate Change Adaptation & Mitigation
	Commercialisation Strategy Implementation: Implement 11 commercialisation projects under Ezemvelo's strategy, approved by National Treasury, through the Public-Private Partnership (PPP) approach.	Ezemvelo KZN Wildlife
Cultural and Heritage Tourism	Support the development and promotion of the following projects: Thokazi Royal Lodge, Drakensberg Cable Car, KwaXolo Caves, Somkhanda Game Reserve and Other Heritage Tourism Sites	Programme 3: Tourism Growth & Development: Tourism Product Development Projects
	Unveiling of King Shaka Statue: Successfully unveil the King Shaka Statue as part of promoting cultural and heritage tourism.	Tourism played a supporting role as part of promotion of the development Culture and Heritage Tourism
	Commemoration of the Battle of Spion Kop: Continue commemorating the 125th anniversary of the Battle of Spion Kop in Ladysmith to promote local cultural heritage tourism.	Tourism played a supporting role as part of promotion of the development Culture and Heritage Tourism
	Celebration of the Isandlwana Victory: Continue celebrating the victory of Isandlwana, leveraging its potential to stimulate local economic development through tourism.	Tourism played a supporting role as part of promotion of the development Culture and Heritage Tourism
	Emakhosini Valley UNESCO World Heritage Site Nomination: Enlist Emakhosini Valley at Ulundi on the tentative list of UNESCO World Heritage Sites as the first step toward achieving World Heritage status by 2029.	The Department is working in partnership with AMAFA to realise this objective.
Digital Economy	King Dinuzulu Innovation Valley: Official opening of the King Dinuzulu Innovation Valley in June 2025. Create business process outsourcing jobs for 1,800	Moses Kotane Research Institute

KEY AREAS	SOPA COMMITMENTS	EDTEA'S RESPONDING INTERVENTIONS
	young people when the Iziko Building is finalized. Serve as a hub for digital transformation skills within the public sector.	
	KwaZulu-Natal Digital Fund: Establish and launch the KwaZulu-Natal Digital Fund in June 2025 to support young innovators and transform ideas into enterprises, in partnership with the private sector.	Moses Kotane Research Institute
	Enhancing Disaster Management Systems: Strengthen Disaster Management Systems by leveraging technology to improve crisis response and protect communities.	Programme 5: Climate Change Adaptation & Mitigation: Eco-systems-based adaptation project for climate resilience.
	Cybersecurity Framework: Promote cybersecurity culture through awareness programmes and collaboration with stakeholders.	Programme 1: Information Technology & Telecommunication Services: ICT strategy initiatives implementation
Strategic Industries Development	High-Growth Industries Support: Focus on supporting high-growth industries in sectors like telecommunications, finance, retail, professional services (medical equipment), and tourism and culture (hotels, transport, logistics).	Programme 3: Trade, Sector and Tourism Development
	Cannabis/Hemp Sector Development: Develop a Shared Cannabis/Hemp Processing Facility in Bergville/Okhahlamba (Uthukela District Municipality), in partnership with Okhahlamba Local Municipality and CSIR. Ensure the facility is operational by the end of 2025/26.	Programme 3: Sector Development: Development & operationalization of Cannabis/hemp shared processing facility project
	Crafts Sector Support: Fund initiatives to enhance the global competitiveness of local artisans in the crafts sector.	Programme 3: Sector Development: Crafts Sector cluster funding projects
Job Creation through EPWP	Ezemvelo Job Creation: Create 9,400 employment opportunities in the environment sector through public employment programmes.	Ezemvelo KZN Wildlife
	KZN Township and Rural Economies Revitalisation Programme: Benefit over 1,000 community members adjacent to Ezemvelo protected areas.	Ezemvelo KZN Wildlife
Ithala Development Finance Corporation (IDFC)	Repositioning Ithala Development Finance Corporation (IDFC): Reposition Ithala to respond to the province's economic growth agenda, focusing on economic transformation and empowerment.	Programme 1: Office of the MEC; Ithala Development Finance Corporation
	Job Creation through IDFC: Target the creation of 2,000 jobs through small business financing and infrastructure development by IDFC.	Ithala Development Finance Corporation
	Funding for SMMEs and Cooperatives: Commit R200 million towards funding SMMEs and cooperatives in rural and township economies.	Ithala Development Finance Corporation

KEY AREAS	SOPA COMMITMENTS	EDTEA'S RESPONDING INTERVENTIONS
Building a Capable State	Strengthen public institutions and enhance service delivery by professionalizing the public service, improving recruitment processes, and providing targeted training.	Programme 1: Corporate Services: Human Resource Management
	Promote ethics, accountability, and professional service delivery in the public sector.	Programme 1: Office of the HOD: Risk & Integrity Management, Internal Control
Creating an Ethical State	Implement lifestyle audits for managers to mitigate fraud and improve accountability.	Programme 1: Office of the HOD: Risk & Integrity Management
	Conduct fraud awareness campaigns in collaboration with law enforcement agencies.	Programme 1: Office of the HOD: Risk & Integrity Management
Consequence Management	Implement the Consequence Management Framework to ensure accountability for misconduct in the public service.	Programme 1: Corporate Services: Human Resource Management: Consequence management instrument implementation
Enhancing Service Delivery	Continue community engagement to improve service delivery and ensure the implementation of the District Development Model (DDM).	Programme 1: Intergovernmental Relations

3.9 Executive Council Lekgotla Resolutions and Commitments - July 2024

The Department has been assigned several critical responsibilities to drive economic growth and development in KwaZulu-Natal. Key commitments include:

- 1. Reviewing and Implementing the KZN Trade and Investment Strategy (4.36):** EDTEA will focus on evaluating and applying the KZN Trade and Investment Strategy to stimulate economic activity and attract investment to the province.
- 2. Reducing Red Tape (4.37):** The Department is dedicated to minimizing bureaucratic obstacles to encourage trade and investment, streamlining processes to create a more business-friendly environment.
- 3. Finalizing the Rural and Township Economy Strategy (4.38):** EDTEA will complete the development of this strategy, which includes support programmes and regulations aimed at empowering black entrepreneurship and promoting economic inclusion.
- 4. Ensuring Clear Targets and Accountability:** All interventions will have well-defined targets, baselines, timeframes, and budgets to enhance effectiveness and transparency in initiatives.
- 5. Collaborating on Local Economic Development and Climate Change (4.34, 4.51):** EDTEA will partner with various organizations to bolster local economic development while addressing climate change through:

- **Developing District Climate Change Response Plans:** Facilitating localized strategies to mitigate environmental impacts.
 - **Strengthening Climate Change Interventions:** Incorporating robust climate actions within the Annual Performance Plan and prioritizing the Climate Change and Sustainability division.
 - **Prioritizing the Climate Change and Sustainability Council:** Ensuring its effective functioning to deliver a comprehensive response to climate change.
 - **Reviving Tourism Marketing (4.42):** EDTEA will develop a plan to revitalize tourism marketing, emphasizing heritage and culture to attract tourists and investment.
- 6. Reviewing Provincial Entities (4.47):** A thorough assessment of provincial entities in terms of mandate, capacity, and funding will be conducted to ensure they are fit for purpose. A report will be provided to inform the Executive Council.
- 7. Research on Climate Resilience and Adaptation (4.51):** The Department will undertake research studies focused on climate reliance and adaptation. As part of its APP annual target and standardized indicator, the Department has undertaken a study on the Integration of Indigenous Knowledge Systems (IKS) with contemporary environmental management to enhance sustainability in KwaZulu-Natal. The study investigated the barriers, opportunities, and perceptions surrounding the use of IKS in formal environmental governance. Key themes that emerged include institutional resistance, the cultural significance of IKS, and the role of intergenerational knowledge transfer. Further highlighted are the correlations between community engagement in IKS practices and improved climate resilience outcomes. Findings suggest that while IKS offers valuable strategies for resource management and climate adaptation, institutional frameworks often overlook its potential due to scientific scepticism and policy constraints. The study emphasizes the need for collaborative governance that integrates both indigenous and scientific approaches to environmental decision-making. Ultimately, the research advocates for policy reforms that recognize IKS as a complementary and culturally embedded component of sustainable environmental management and climate resilience.

These commitments reflect EDTEA's comprehensive approach to fostering economic growth, supporting local communities, and addressing pressing environmental challenges in KwaZulu-Natal.

3.10 Key Progress on National, Provincial Commitments, and Executive Council Lekgotla Resolutions (2019 -2025) – Achievements

Over the past five years, the Department of Economic Development, Tourism, and Environmental Affairs has made significant strides in driving economic growth and supporting local enterprises in KwaZulu-Natal. Between 2019 and 2020, the Department assisted 28 co-operatives by upgrading machinery, supplying raw materials, and refurbishing business premises, collectively supporting the creation of approximately 600 jobs. A key initiative, the Vegetable Project in Pietermaritzburg, established a processing and packaging facility that is expected to create an additional 200 jobs. The Department also registered 741 business entities and facilitated training for over 1,000 women and youth, enhancing their participation in key sectors such as agriculture and film. Additionally, the establishment of Industrial

Economic Hubs, including Auto Service Hubs and agro-processing facilities, reinforced community support under the Radical Agrarian Socio-Economic Transformation (RASET) programme. The KZN Automated Licensing System processed 407 business licenses and 551 permits across 12 municipalities, contributing to the creation of 6,300 jobs and streamlining regulatory processes.

In response to the Covid-19 pandemic in 2020-2021, EDTEA shifted its focus to providing critical support to Small, Medium, and Micro Enterprises (SMMEs) and co-operatives. In collaboration with Trade and Investment KwaZulu-Natal (TIK), the Department facilitated relief assistance, providing business advisory services to 283 small enterprises. This support resulted in 212 funding applications being submitted, with 270 successful applications securing financial assistance through relief initiatives. Training programmes with four Technical Vocational Education and Training (TVET) colleges empowered 500 young people and women, significantly increasing their economic participation. Moving into the 2021-2022 period, initiatives such as Operation Vula concentrated on enhancing training, infrastructure, and access to markets for small businesses. A total of 1,505 small businesses received targeted support in priority sectors, including pulp and paper, cleaning and chemicals, and clothing and textiles, resulting in the creation of over 1,000 jobs.

Throughout this period, the Department also prioritized tourism and environmental sustainability. Capacity-building workshops for tourism businesses reached over 100 participants, while practical placements for 100 tourism graduates in municipalities helped enhance local job creation. Events like the KZN KWANDE Festival and similar initiatives played an essential role in promoting the creative economy and attracting significant visitor engagement. In 2022-2023, the Department provided support to 2,575 small enterprises through various initiatives, including the establishment of detergent manufacturing centres, which benefited 29 businesses in KwaMashu and 107 in Ugu and King Cetshwayo districts. Efforts to empower 35 youth through the KZN Film Commission and the approval of 34 Black industrialists for funding further stimulated growth in various sectors.

Between 2023-2024 period, EDTEA made substantial progress in integrated economic development. The Department enrolled 75 small enterprises in the KwaMashu Vula Detergents Centre's incubation programme, with similar operations launched in Ugu and King Cetshwayo districts. The Municipal Employment Initiative (MEI) completed nine projects, benefiting 449 enterprises and creating 362 jobs. In the tourism sector, initiatives like the successful tour operator incubation programme trained 70 guides, while the Tourism Graduate Development programme recruited 104 youth for placements. The Department also made significant strides in environmental sustainability, with the finalization of the KwaZulu-Natal Climate Change Strategy, designed to mitigate the impacts of climate change. Moreover, the Expanded Public Works Programme contributed to the creation of over 5,195 jobs.

For 2024/25 financial year, key achievements include the creation of 15,816 jobs between 2019 and 2024. Efforts to empower small businesses flourished, with projects like the Detergents and Chemicals Shared Production Facilities benefiting informal traders and 533 businesses receiving training in

financial management. KZN attracted substantial investments, including R600 million for Princess Mkabayi Mall and R17 billion for the Engome Square project, generating thousands of jobs and boosting the provincial economy. The industrial sector also thrived, with projects like the R1.1 billion automotive components manufacturing facility and R15 billion Nyanza Light Metals investment, furthering KZN's position as a key manufacturing hub. The tourism sector saw a surge, with a 18% increase in international visitors and the announcement of a R2 billion Club Med resort on the North Coast, creating 2,000 jobs. KZN also advanced its green economy initiatives, clearing 61,000 hectares of invasive alien plants, generating 8,184 jobs, and investing in sustainable energy solutions. In governance, the province maintained a clean audit for the fourth consecutive year and streamlined public entities to improve efficiency. Air connectivity strengthened with new international flights, enhancing trade and tourism, while business regulation was improved through automated licensing systems. Finally, the province achieved a Level 5 B-BBEE compliance score, supporting 20 Black Industrialist enterprises and ensuring that economic growth is inclusive and sustainable. These achievements highlight KZN's commitment to building a resilient, diversified economy that benefits all its citizens.

3.11 UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The Department drives its processes also through internal policies and strategies that align with both provincial and national priorities. These policies and strategies are important for ensuring the continuity of effective governance and service delivery in the 7th administration. The table below highlights key policies and strategies that are carried over:

POLICY/STRATEGY	DESCRIPTION
Revised Operation Vula Policy (2023)	Promotes economic transformation and inclusivity by empowering marginalized groups through local procurement, enterprise development, and capacity building
Risk Management Policy, 2023	Provides a structured approach to identifying and mitigating risks, safeguarding departmental assets and ensuring continuity of operations.
Departmental Disability Strategy (2020)	This strategy focuses on inclusivity and accessibility for people with disabilities, removing barriers and ensuring equal opportunities in economic, social, and educational activities.
Departmental Strategy on Women and Gender Empowerment (2020)	Promotes gender equality and empower women by eliminating disparities in employment, education, and leadership, while addressing gender-based violence.
EDTEA Employment Equity Plan (2022-26)	Promotes diversity and inclusion, ensuring fair representation across all levels of the department. This aligns with social justice and equality goals.
Communication Policy, 2023	To establish clear guidelines for internal and external communication, ensuring consistency, clarity, and effectiveness in messaging.
Customer Care, 2023	To enhance the quality of service provided to customers, ensuring their needs are met effectively and efficiently.
Knowledge Management Strategy (2024)	To facilitate the effective sharing, management, and utilization of knowledge within the department.

In summary, the Department's internal policies and strategies serve as a vital framework for aligning with provincial and national priorities, thereby ensuring effective governance and service delivery in the 7th administration. By promoting inclusivity, risk management, and equitable representation, these policies not only address the needs of marginalized groups but also enhance overall Departmental performance. Together, they will support the Department in fostering local economic growth and advancing sustainable development in alignment with national objectives.

4. UPDATES TO RELEVANT COURT RULINGS

There have been no recent court rulings that could adversely affect service delivery.

PART B: OUR STRATEGIC FOCUS

5. VISION

A dynamic and resilient ecosystem that champions inclusive economic growth, fosters vibrant tourism and nurtures a sustainable environment.

6. MISSION

To enable inclusive economic growth by enabling trade, investment and tourism while ensuring sound environmental management and climate resilience

7. VALUES

The **Batho Pele Principles**, which emphasize putting people first, form the foundation of our public service. While this ethos of prioritizing people remains central, further efforts are needed to firmly embed these principles within our systems. This transformation—rooted in empathy, dedication, and a people-first approach—is of critical importance. EDTEA remains committed to upholding the core values of **peace, justice, equality, solidarity, non-racialism, democracy, and compassion**. A key focus is the **promotion of the rights of women, persons with disabilities, and members of the LGBTQI+ community** to ensure an inclusive and equitable society.

Our Public value statement is as follows:

“We exist as the EDTEA portfolio because the public expects us to enhance the quality of life for the people of KwaZulu-Natal by enabling economic growth, environmental resilience and sustainable tourism. Our commitment is to promote innovation, build trust through community and business engagements, and instil hope and confidence in our leadership”.

VALUES	DESCRIPTION
Empowerment	of individuals, rural and township communities through capacity-building initiatives that enhance skills and foster self-reliance
Cultural Heritage	Valuing and promoting the rich cultural diversity of KwaZulu-Natal, ensuring that tourism and development initiatives celebrate and preserve local traditions.
Dedication	to the common goals of the institution by encouraging staff, stakeholders and beneficiaries to actively contribute and participate
Transparency	In delivery and open communication that fosters trust
Empathy	In understanding and considering the feelings and perspectives of others we serve
Adaptability	In embracing change and innovation in responding to evolving needs and challenges

8. SITUATIONAL ANALYSIS

The Department conducted a situational analysis by reviewing its strategic focus over recent years, referencing key documents like the State of the Nation Address and the Medium-Term Development Plan. It used demographic and service demand statistics to assess factors influencing operations, particularly regarding vulnerable groups and spatial planning. The analysis identified challenges, evaluated the institution's capacity to meet its mandate, and identified key stakeholders necessary for achieving its goals.

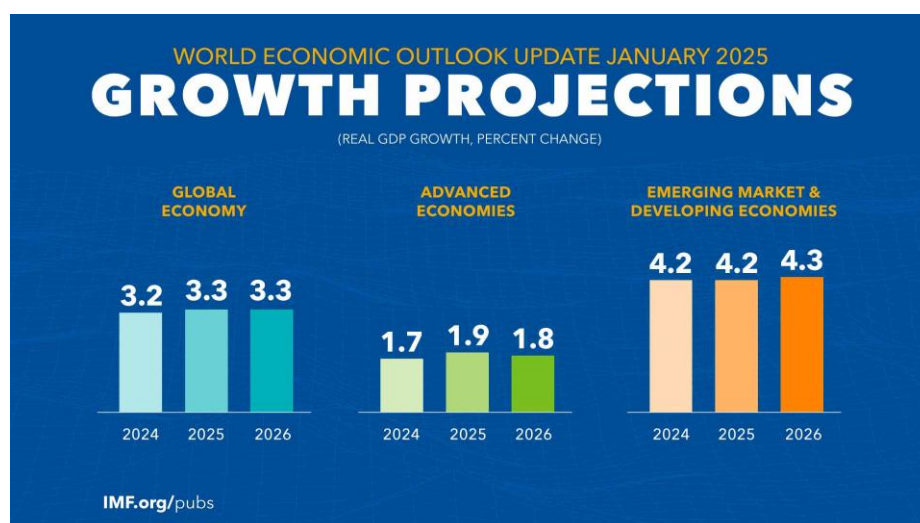
8.1. EXTERNAL ENVIRONMENT ANALYSIS

8.1.1 Global Economic Developments and Outlook

(a) World Economic Growth

Global economic growth is expected to remain steady but modest, with a forecast of 3.3% for both 2025 and 2026, slightly below the pre-pandemic average of 3.7%. This projection aligns with the October 2024 World Economic Outlook, reflecting the balance between upward revisions in the U.S. and downward adjustments in other major economies. Looking ahead to 2029, global growth is expected to slow further to 3.1%, as structural challenges—such as aging populations and sluggish productivity—continue to impact the long-term growth potential of both advanced and emerging economies (IMF, January 2025).

Image: World Economic Outlook Update: Growth Projections as of January 2025



Source: IMF, 2025

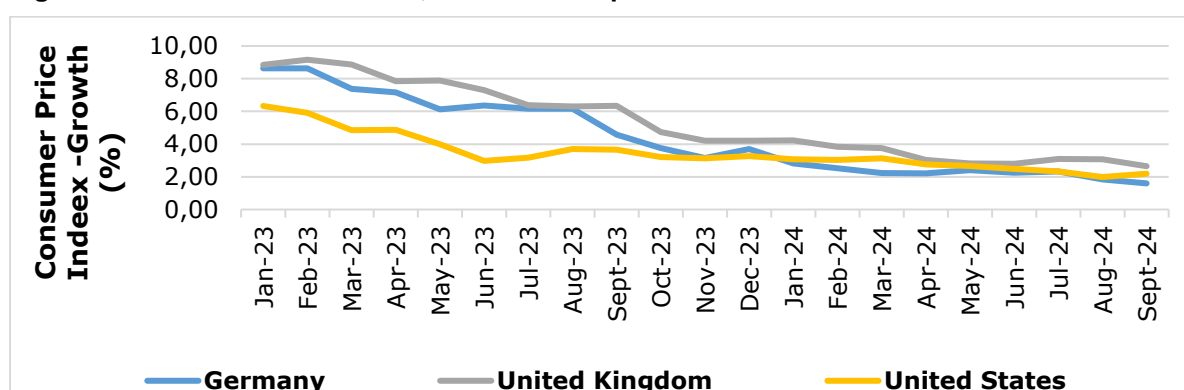
In advanced economies, growth is expected to remain steady, with the United States projected to grow by 2.8% in 2024, followed by 2.7% in 2025 and 2.1% in 2026, a slight upward revision (IMF, January 2025). The Euro Area and Japan, however, are anticipated to experience subdued growth, while the United Kingdom and Canada are on track for a gradual recovery, with the UK's growth forecast revised to 0.9% in 2024 and expected to rise to 1.6% in 2025 before slowing to 1.5% in 2026 (IMF, January 2025). Emerging markets and developing economies, by contrast, are projected to see stronger growth. India continues to be a standout performer, with a revised growth forecast of 6.5% for both 2024 and 2025 and expected to maintain this pace through 2026. Meanwhile, South Africa's growth

is expected to remain modest, with the forecast at 0.8% for 2024, rising to 1.5% in 2025 and 1.6% in 2026 (IMF, January 2025). Sub-Saharan Africa and Latin America are facing various challenges, but Nigeria's growth is projected to increase to 3.2% in 2024, 3.1% in 2025, and 3.0% in 2026 (IMF, January 2025).

(b) Global Inflation

Global inflation showed signs of easing in the third quarter of 2024 but emerging markets and developing countries are expected to face a longer path to reach their inflation targets. This is evident in the GDP growth of G20 countries, which rose by 0.7% in Q3, slightly up from 0.6% in the previous quarter (OECD, December 2024). The outlook for emerging markets and developing economies is showing signs of stability, with a projected growth rate of 4.2% by the end of 2024. A significant portion of this growth is expected to come from Asia, particularly India, which has consistently demonstrated strong GDP performance throughout 2024. In the third quarter, India's GDP grew by 5.8%, highlighting its resilience and continued economic momentum (IMF, October 2024). This growth reflects the broader stabilization of emerging economies, even as inflationary pressures persist in certain regions.

Figure: Global Headline Inflation, Jan 2023 – Sep 2024*



Source: IMF, 2024

Key inflation rates in various countries reflect a mixed landscape in the developed world. The United Kingdom recorded an inflation rate of 2.7% in September 2024, a decrease from 3.1% in the previous month. The country's inflation rate for the third quarter of 2024 stood at 1.7%, marking the lowest rate since April 2021. However, GDP growth slowed to 0.1% in the third quarter, down from 0.5% in the previous quarter. In contrast, the United States saw an increase in inflation to 2.2% in September 2024, up from 2.0% the month before. This rise was reflected in a 2.8% real GDP growth in the third quarter of 2024, driven primarily by increased consumer spending and a healthy labor market. Germany experienced a decrease in inflation, recording a rate of 1.6% in September 2024, down from 1.8% in the previous month. This inflation trend was mirrored in an unexpected 0.1% increase in GDP for the third quarter, reversing the previous quarter's contraction of -0.3%. Growth in Germany was driven by government and household spending, although the country continues to grapple with unemployment issues, with major companies like Volkswagen planning to lay off over 35,000

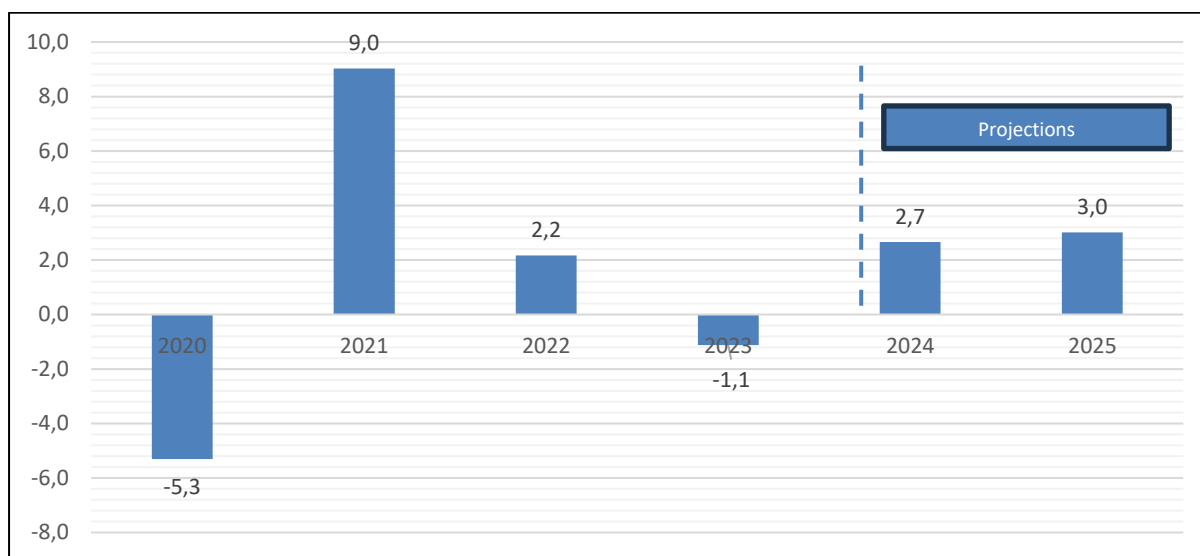
employees (Reuters, October 2024). Despite many countries seeing easing inflation rates, persistent challenges in the labor market and commodity prices continue to shape economic conditions.

(c) Global Trade

Current global trade trends are showing positive momentum, with goods trade experiencing a 1% quarter-over-quarter growth in Q1 2024, while services trade saw an increase of approximately 1.5%. The World Trade Organization (WTO) anticipates a steady increase in global goods trade this year, following a decline in 2023 due to the ongoing repercussions of elevated energy prices and inflation. According to the latest WTO Global Trade Outlook and Statistics report, global merchandise trade is expected to grow by 2.7% in 2024 and 3.0% in 2025, after a drop of 1.1% in 2023. UNCTAD forecasts an even more optimistic outlook for Q2 2024, predicting a 2% growth for the first half of the year.

This growth is expected to add around \$250 billion to merchandise trade and \$100 billion to services trade compared to the latter months of 2023. If these trends continue, global trade could reach about \$32 trillion by the end of 2024, although it is not anticipated to surpass the peak levels of 2022 (UNCTAD, 2024). However, regional conflicts, geopolitical tensions, and uncertainty in economic policies present significant risks that could negatively impact these forecasts. While global trade is rebounding, new green trade policies (e.g., EU Carbon Border Adjustment Mechanism) are creating both opportunities and compliance challenges for exporters. South Africa's trade may benefit from increased demand for critical minerals like platinum and rare earth metals essential for renewable energy technologies.

Figure 1.3.1: Global Merchandise Trade Volume Annual Growth Rates: 2020-2025*



Source: WTO, UNCTAD, 2024

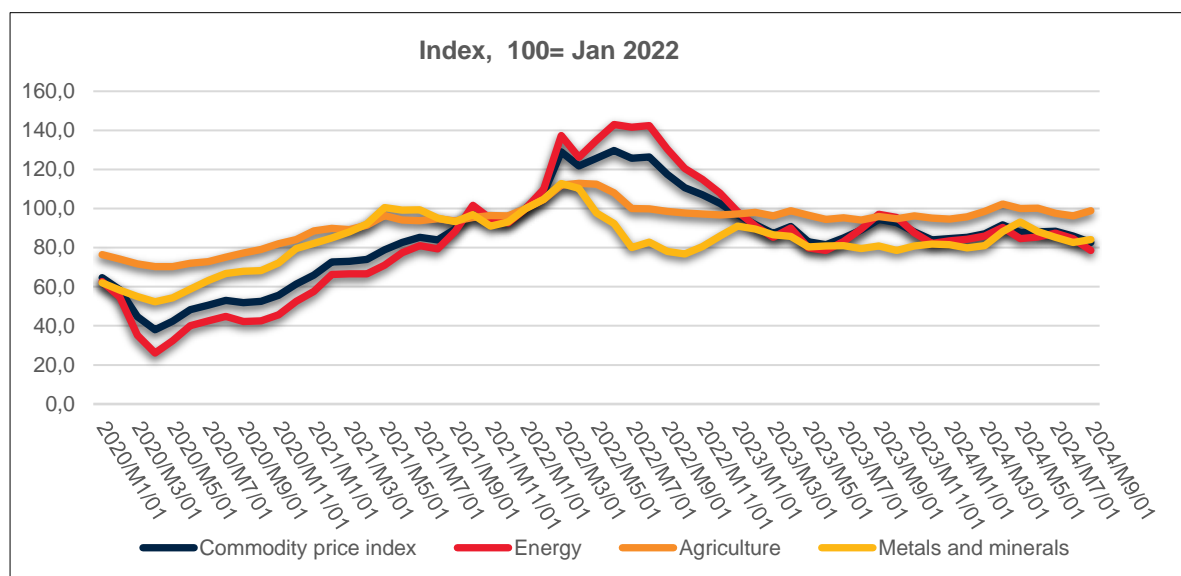
Changes in global trade dynamics are influenced by various factors, including shifts in trade policy, geopolitical tensions, and economic practices. The United States is expected to adopt a more protectionist trade policy, potentially imposing new tariffs across a broader range of products. Such unilateral and stringent trade measures could provoke retaliatory actions from other nations, leading to a cycle of escalating trade barriers. Additionally, the rise in subsidies and restrictive trade practices,

particularly those promoting the production of sustainable and environmentally friendly goods, may impede international trade growth in key sectors. Geopolitical tensions and policy changes in the U.S. could also lead to an increase in the value of the U.S. dollar, further adding uncertainty to the global trade landscape. Meanwhile, a decline in shipping costs, as evidenced by the significant decrease in the Shanghai Containerized Freight Rate Index, signals lower demand for container shipping. This reduction in demand reflects a broader decline in the global need for both intermediate goods and finished products, which may indicate a slowdown in overall trade activity.

(d) Global Commodities Market

In 2024 Q3, commodity markets experienced mixed trends due to geopolitical tensions, economic factors, and environmental conditions. Energy prices fell by 4% quarter-over-quarter, driven by volatility in October, with oil prices expected to drop by 6% year-over-year in 2024, while European natural gas prices are projected to decrease by 18%. Agricultural commodity prices saw a slight surge in September and early October due to bad weather, though overall agricultural prices are forecasted to rise by 2% in 2024, led by beverages and raw materials. In metals, prices briefly improved after China's stimulus announcements, with a 4% increase in the metals and minerals price index expected in 2024, despite a 7% quarterly decline in 2024Q3. Precious metals like gold saw a sharp rise, fueled by geopolitical tensions and central bank demand, while platinum prices fell (World Bank, 2024)..

Figure: Global Commodity price indexes 2024 Q3



Source: World Bank 2024

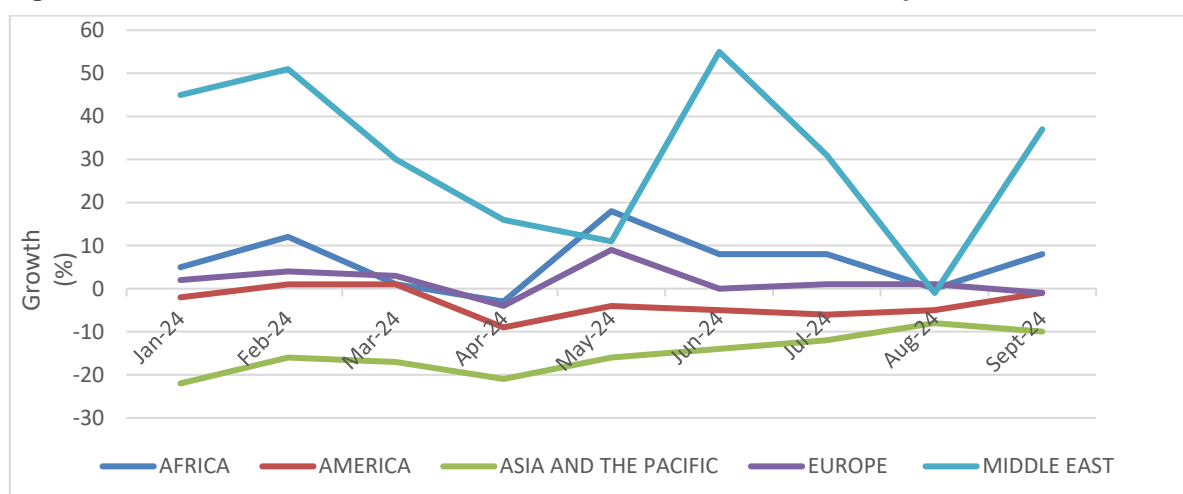
Commodity prices are projected to decline by 5% in 2025 and 2% in 2026, following a 3% easing in 2024, bringing them to their lowest levels since 2020. The World Bank's energy price index is expected to soften by 6% in 2025 and 2% in 2026, primarily driven by falling oil prices, though natural gas prices are anticipated to rise, and metals and agricultural raw materials will see stable pricing. Brent crude oil prices are projected to drop to \$73 per barrel in 2025 and \$72 per barrel in 2026, marking a four-year decline from the 2022 peak, with prices ultimately settling just above their 2021 levels. The agriculture price index is forecasted to decrease by 4% in 2025 due to favourable growing conditions

in major exporting countries, before stabilizing in 2026 as supply and demand balance. Food prices are expected to fall by another 4% in 2025, while beverage prices are projected to drop by 9% in 2025 and 3% in 2026. Raw material prices are likely to remain stable over the next two years. The metals and minerals price index is expected to rise slightly in 2025 before declining by 3% in 2026, while precious metal prices are anticipated to stay stable in 2025 and edge down in 2026 (World Bank, 2024).

(e) Global Tourism Developments

International tourism saw a remarkable recovery in the first nine months of 2024, with 1.1 billion tourists traveling globally, reaching 98% of pre-pandemic levels. According to the latest World Tourism Barometer by UN Tourism, the sector is expected to fully recover by the end of the year despite ongoing challenges like economic, geopolitical, and climate issues. Most regions exceeded 2019 arrival numbers, with the Middle East leading the growth (+29%), followed by Europe (+1%) and Africa (+6%). The Americas recovered 97% of pre-pandemic arrivals, while Asia and the Pacific reached 85%, marking a significant rebound from the previous year's 66%.

Figure: Annual Growth in International Tourism Arrivals, Jan 2024 – Sep 2024



Source: UNWTO, 2024

This surge in international travel was supported by increased air connectivity, visa facilitation, and strong post-pandemic demand, especially in Europe and large global source markets. Notably, the summer season in the Northern Hemisphere showed strong results, with global arrivals hitting 99% of pre-pandemic levels in Q3 2024 (UNWTO, 2024).

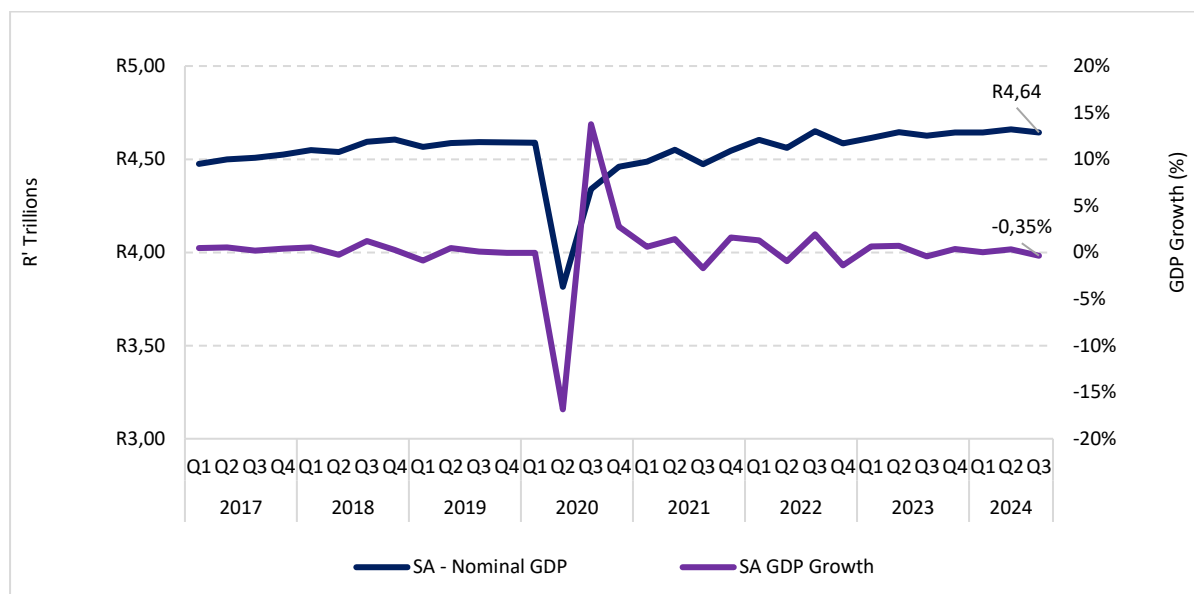
8.1.2 Domestic and Regional Economic Development and Outlook

(a) Gross domestic product trends

The South African economy entered negative territory in the third quarter of 2024 after experiencing three consecutive quarters of growth. Despite some positive momentum in electricity supply and a more balanced inflation outlook, adverse weather conditions severely impacted the agriculture sector, eroding gains from the second quarter of 2024. Nominal GDP shrank by R16.1 billion in the third

quarter, compared to a revised R15.9 billion growth in the previous quarter. The Bureau for Economic Research had initially forecasted a growth of between 0.2% and 0.4% for Q3 2024, but the results misaligned with market expectations, reflecting ongoing uncertainty and volatility in the agricultural sector. Meanwhile, other market forecasts predicted a 0.5 percentage point growth, supported by stronger economic activity, improved operating conditions, and firmer domestic demand (Quantec Research, 2024).

Figure: GDP Seasonally Adjusted Quarter-on-Quarter and Year-on-Year Growth, SA, Q1:2017-Q3:2024



Source: Quantec Research, 2024

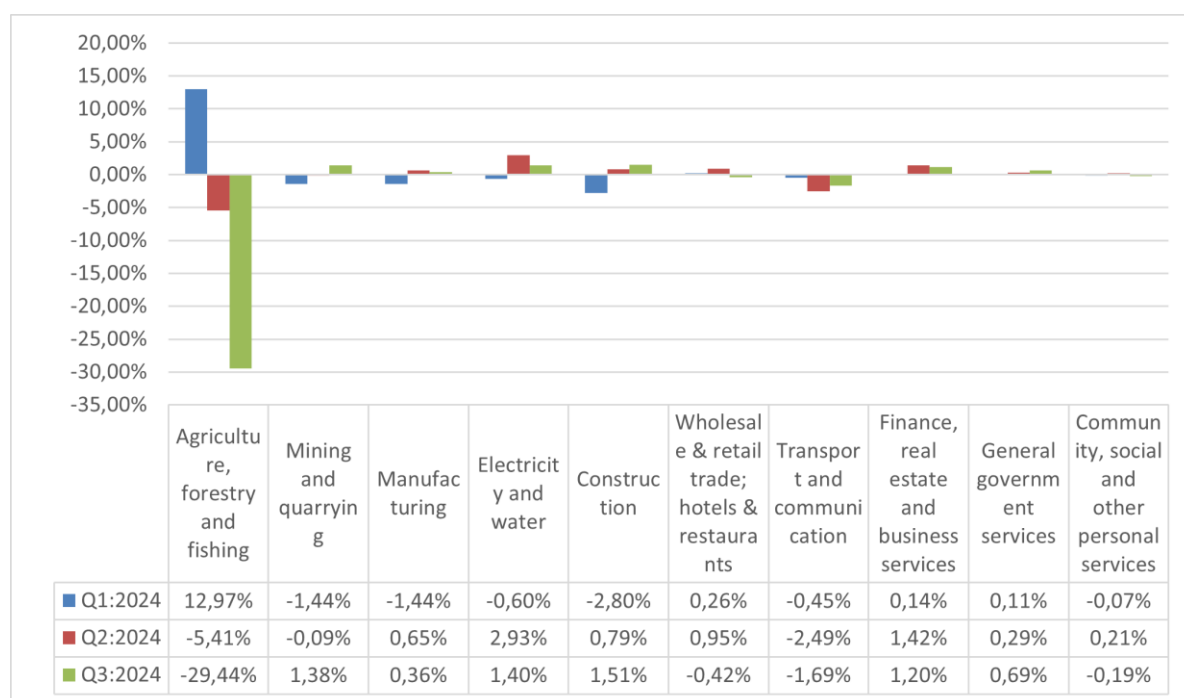
The medium-term outlook for South Africa remains cautiously positive despite challenges from the external economic environment. A key factor in this outlook is the continued progress of reforms in network industries such as electricity and transport, which could stimulate private sector investment. The government's efforts to encourage private participation and public-private partnerships in sectors like railways, ports, power, and water are expected to further bolster investor confidence. Additionally, reforms related to retirement policy continue to support debt consolidation and improve purchasing power for some households, contributing to economic growth as the country heads into the festive season. Inflation remains below the South African Reserve Bank's lower target of 3%, boosting real income for consumers. However, the risk of higher administered prices, particularly electricity hikes proposed by NERSA, remains a concern heading into the fourth quarter of 2024. Despite these risks, the country's revised sovereign rating by S&P Global to BB- offers a more optimistic outlook for investor confidence. The South African economy is forecasted to grow by 1.1% in 2024, 1.7% in 2025, and 1.8% in 2026 (Quantec Research, 2024).

(b) Sectoral Drivers of GDP Growth

The South African economy experienced mixed sectoral performance in the third quarter of 2024, with four out of ten industries recording negative growth, and agriculture being the worst performer.

Agriculture saw its second consecutive decline, falling by 28.8%, as drought severely impacted the production of field crops like maize, soybeans, wheat, and sunflower. Adverse weather also affected subtropical fruits, deciduous fruits, and vegetables in some regions. Other struggling sectors included transport, storage, and communication, which contracted by 1.6%, marking the third consecutive decline and pushing the industry into a technical recession. The trade, catering, and accommodation industry also saw a dip of 0.35%, driven by disappointing performance in wholesale trade, motor trade, and restaurants. Additionally, community, social, and other personal services recorded a slight decline of 0.13% (Quantec Research, 2024).

Figure: SA: Q-on-Q % change (seasonally adjusted quarterly sectoral GDP constant 2015 Prices) Q1-Q3 2024



Source: Quantec Research, 2024

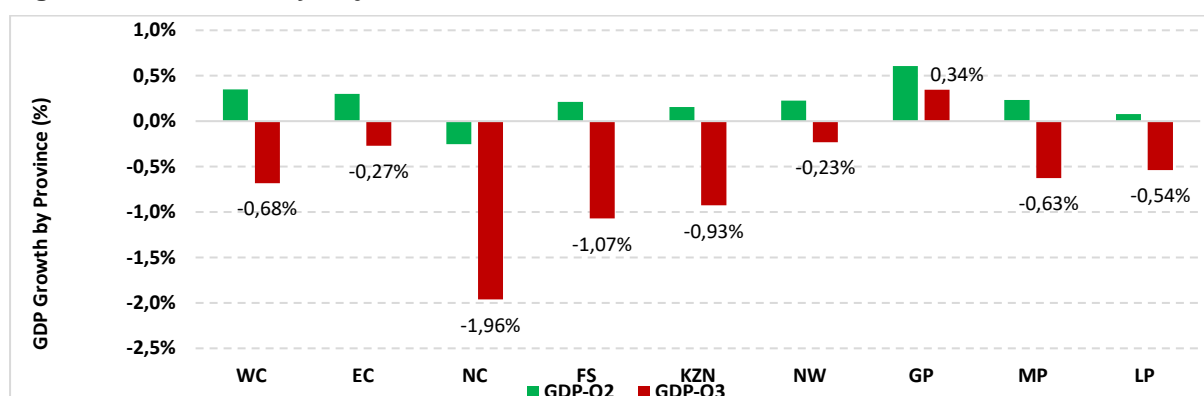
On a more positive note, the electricity, gas, and water supply industry expanded by 1.56%, driven by increased electricity generation and consumption. Mining saw a 1.17% growth, supported by stronger manganese and chromium ore production following two previous quarters of contraction. Finance and construction also posted positive growth, with finance rising by 1.35%, fuelled by banking, insurance, and real estate, while construction grew by 1.09%, driven by non-residential building activities. Manufacturing also showed a positive trend, recording its second consecutive increase after a slowdown in Q1 2024. Overall, while the third quarter was weighed down by several underperforming sectors, the positive results from key industries like finance, mining, and construction helped temper the downturn (Quantec Research, 2024).

(c) KwaZulu-Natal Growth Trends

KwaZulu-Natal province's regional gross domestic product (R-GDP) for the third quarter of 2024 totalled approximately R762.825 billion, accounting for about 16% of South Africa's national output.

This makes KZN the second-largest economy in the country, following Gauteng with 34%, and ahead of the Western Cape at 14%. The province's economic resilience is largely attributed to its diversified sectoral base, including manufacturing, agriculture, finance, construction, and tourism. Despite its strong sectoral diversity, KZN's economy contracted by a modest R7.1 billion in Q3 2024, following the national trend of weak economic performance. Gauteng, driven primarily by the financial sector, was the only province to record positive growth in Q3, while the Northern Cape showed the worst performance. In KZN, the agriculture sector plays a crucial role in both economic growth and employment, making it particularly vulnerable to adverse weather conditions, which have continued to pose a significant risk to the industry, food prices, and food security. Provincial strategies to mitigate the impact of climate change on key industries will be critical moving forward.

Figure: GDP Seasonally Adjusted Quarter-on-Quarter, KZN, Q2&Q3 2024



Source: Quantec Research, 2024

Sectoral performance in KZN during the third quarter of 2024 revealed both challenges and some positive developments. Agriculture, the worst-performing sector, saw a dramatic decline of 29.44%, marking its second consecutive drop in 2024 due to severe weather conditions. The transport and communication industry also struggled, contracting by 1.69% in its third consecutive decline, with ongoing infrastructure bottlenecks at ports and railways continuing to hamper its performance. On a more positive note, sectors such as construction (1.51%), utilities (1.40%), mining and quarrying (1.38%), and finance, real estate, and business services (1.20%) made the biggest contributions to KZN's GDP growth. Despite some positive impacts from retirement fund policy reforms, the wholesale trade sector contracted by 0.42%. Looking ahead, KZN's economy is projected to grow by 0.9% in 2024, below the national forecast of 1.1%, with growth expected to rise to 1.8% in 2025 and 2.1% in 2026 (Quantec Research, 2024).

(d) Domestic Inflation

Domestic headline inflation in South Africa has shown moderate improvement, reaching 2.8% year-on-year (y/y) in October 2024, a notable decline from 3.8% in September 2024. This marks the lowest inflation rate since June 2020, largely driven by a stronger rand exchange rate and lower fuel commodity prices. Consumer price inflation (CPI) decelerated mainly in the transport and food sectors, with transport inflation declining by 5.25% y/y, primarily due to lower fuel prices, which dropped by 19.1% y/y in October 2024. Domestic food inflation also saw broad-based disinflation, especially in

vegetables, milk, eggs, cheese, oil, and fats. Fuel prices, influenced by a fall in Brent Crude Oil prices, contributed significantly to the moderation, with petrol prices decreasing for the fifth consecutive month to R21.05 per litre in October 2024. However, risks remain, with geopolitical tensions, especially in the Middle East, potentially pushing oil prices higher, which could trigger inflationary pressures, particularly in food prices and transport costs in the medium term (Stats SA, 2024).

In KwaZulu-Natal, provincial inflation moderated sharply to 4.6% y/y in July 2024, down from 5.1% and 5.2% in June and May 2024, respectively. This decline was primarily driven by a sharp drop in transport inflation, which fell to -5.3% y/y in October 2024 from -1.1% y/y in the previous month. Further moderation was observed in food, non-alcoholic beverages, alcoholic beverages, tobacco, and the restaurants and hotels sectors. This favorable inflation trend in KZN could positively influence household spending and provide a boost to the tourism, hospitality, and events industries as the festive season approaches. Meanwhile, headline producer price inflation (PPI) also showed significant decline, falling to -0.7% y/y in October 2024 from 1.0% and 2.8% y/y in the previous months. This disinflation in PPI was driven by decreases in wood and paper products, as well as transport equipment, although the chemical and rubber products and gold ores sectors remained exceptions to the broader trend (Stats SA, 2024).

8.1.3 Demographic and Social Trends in KwaZulu-Natal

In the 3rd quarter of 2024, South Africa saw notable shifts in its labour market dynamics. The working-age population increased by 0.3%, compared to the third quarter, bringing the total up by 1.3% year-over-year. Employment rose by 132,000, reaching 17.1 million, while unemployment decreased by 20,000 to 8.0 million, reflecting an overall increase of 0.4% in the labour force. However, the number of discouraged work-seekers grew by 3.3%, highlighting persistent challenges. The unemployment rate dropped by 0.2 percentage points to 31.9%, and both the labour force participation and absorption rates increased slightly, signaling modest improvements in the labour market. Employment gains were spread across the formal sector, informal sector, and private households, although the agricultural sector experienced a decline. Despite these positive trends, the overall labor market continues to face structural issues, especially with a significant number of discouraged work-seekers and ongoing disparities across different sectors (Stats SA, 2025).

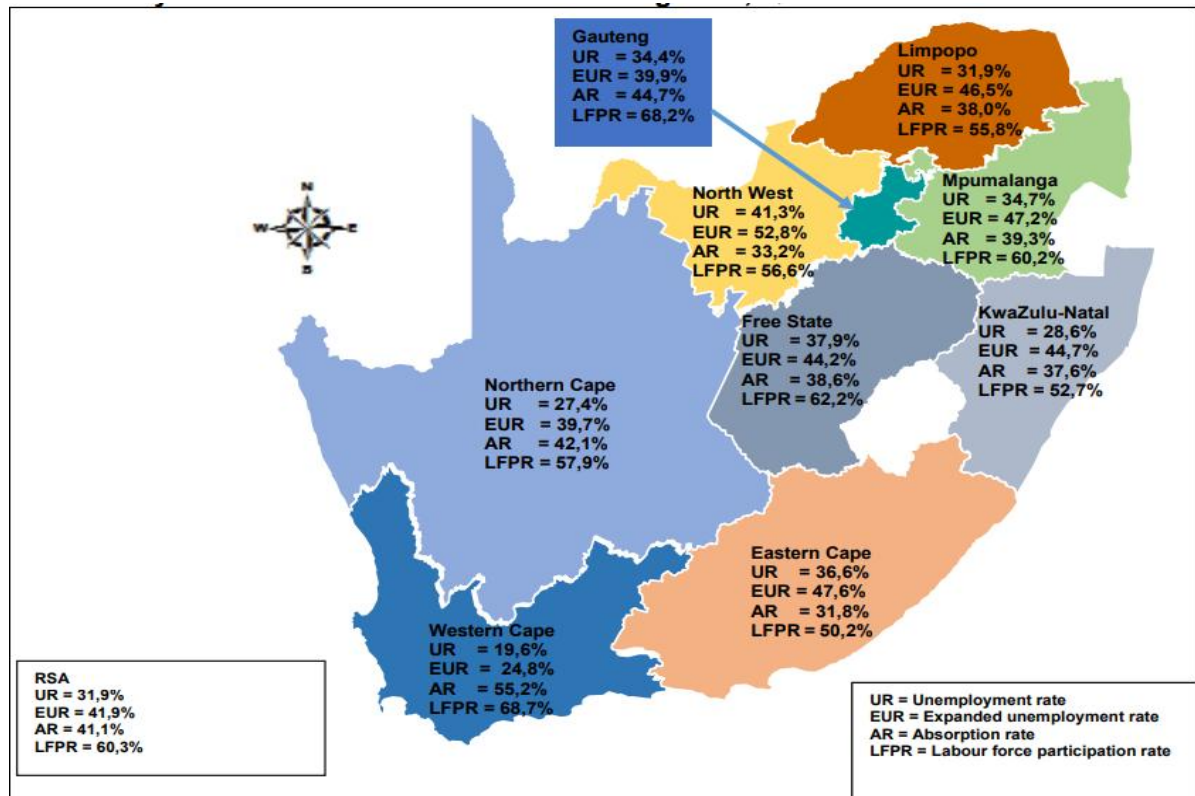
KwaZulu-Natal's working-age population (ages 15–64) grew by 25,000, reaching a total of 7,683,000 in October–December 2024. This marks a 0.3% increase from the previous quarter and a 1.3% rise year-over-year, reflecting a steady growth in the labor force in line with national trends. However, despite this population growth, the labor force decreased slightly from 4,126,000 to 4,051,000, and the unemployment rate improved from 29.5% to 28.6%. Employment showed modest growth of 1.3% year-on-year, increasing from 2,856,000 to 2,892,000. Non-metro areas saw higher unemployment, with a rate of 36.2%, while the number of discouraged work-seekers rose by 21.8%. Furthermore, the labor force participation rate declined from 53.5% to 52.7%, highlighting ongoing challenges in economic activity. Despite some positive trends in urban areas like eThekweni, the province faces significant issues with economic inactivity and an increasing number of discouraged job seekers.

These dynamics underscore KwaZulu-Natal's crucial role in South Africa's demographic landscape, while also presenting pressure on its infrastructure, housing, and public services (Stats SA, 2025).

Between Census 2011 and Census 2022, South Africa saw a slight improvement in the proportion of persons aged 15–34 without disabilities, increasing from 97.4% to 97.6%, while the percentage of youth living with disabilities decreased from 2.6% to 2.4%. When broken down by sex, males were less likely to live with disabilities compared to females, both in 2011 and 2022. In 2011, 2.5% of males were living with disabilities, compared to 2.6% of females. This trend continued in 2022, with 2.3% of males and 2.6% of females living with disabilities. Over the 11-year period, the proportion of males living with disabilities decreased slightly, while the proportion of females remained unchanged, indicating that females had a stable disability status during this time. KwaZulu-Natal experienced a significant reduction in disability prevalence among youth, with the percentage of young people living with disabilities dropping by 0.6 percentage points, from 3.1% in 2011 to 2.5% in 2022. This trend indicates positive progress in the inclusion and well-being of youth with disabilities in the province, as the gap between those without disabilities and those with disabilities narrowed over the 11-year period. Despite this decrease, a considerable portion of the youth population in KwaZulu-Natal still faces challenges related to disabilities, which suggests ongoing work is needed to further support this group (Stats SA, 2024).

As of October–December 2024, South Africa saw positive trends in women's labor force participation, with employment rising from 7,545 thousand in July–September 2024 to 7,636 thousand in the final quarter. Formal sector employment also grew, from 5,216 thousand to 5,273 thousand, indicating an increase in women's non-agricultural formal employment. The unemployment rate for women improved slightly, dropping from 35.2% to 33.9%, though the number of discouraged work-seekers rose, from 1,829 thousand to 1,869 thousand. Women's labor force participation remained steady at 55.2%, and informal sector employment grew modestly. In KwaZulu-Natal, women's labor force participation rose from 50.9% in 2014 to 55.8% in 2024. Although the gender gap narrowed from 13% to 9.8%, KZN's female participation rate still lags behind the national average of 60.6%. These figures highlight the province's ongoing challenges in fully integrating women into the workforce and addressing socio-economic barriers to their employment (Stats SA, 2024).

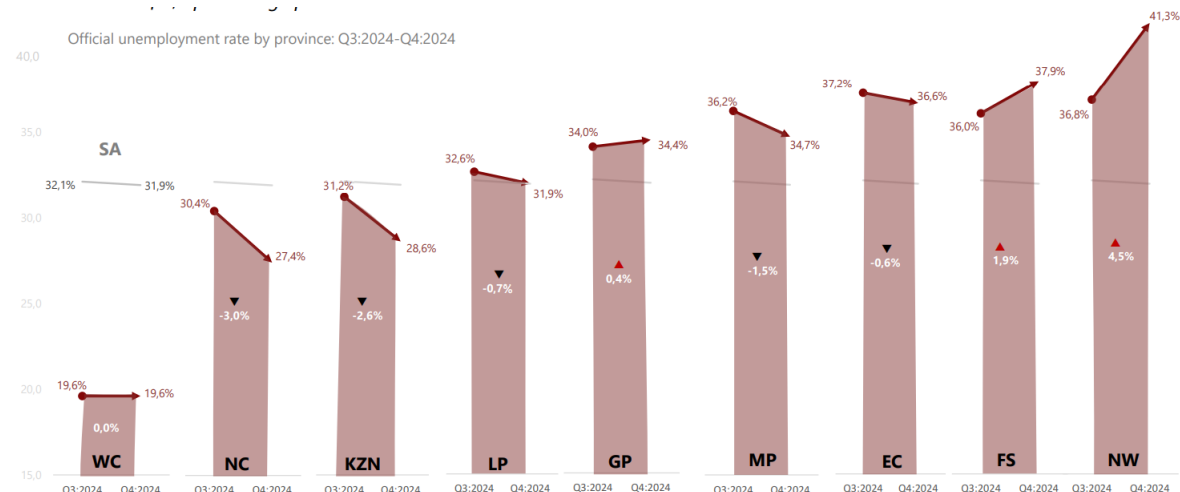
Figure: South African Labour Market at a Glance, 2024 Q4



Source: Stats SA, Quarterly Labour Market Survey

In the last quarter of 2024 (October–December), KwaZulu-Natal's official unemployment rate decreased to 28.6%, a 2.6 percentage point drop from the previous quarter. However, the expanded unemployment rate, which includes discouraged workers, remained high at 44.7%, reflecting ongoing challenges in the province's labour market despite the decline in the official rate. Poverty, unemployment, and inequality continue to be major concerns for KZN (Stats SA, 2024).

Figure: Official unemployment rate by province: Q3:2024-Q4:2024



Source: Stats SA, 2024

The labour force characteristics in KwaZulu-Natal highlight a significant **rural-urban divide in employment and economic activity**, as seen in the differences between eThekweni (an urban metro) and the surrounding non-metro areas. In eThekweni, while there was an increase in employment by 70 thousand from Oct-Dec 2023 to Oct-Dec 2024, the labour force decreased by 56 thousand, and the unemployment rate saw a sharp decline from 22.1% to 17.1%. This reflects a contraction in formal sector jobs, with unemployment dropping due to fewer people seeking work in the urban metro area. On the other hand, non-metro regions experienced slight growth in employment and a rise in informal sector participation. For example, employment in non-metro areas grew by 40 thousand from Oct-Dec 2023 to Oct-Dec 2024, despite facing an increase in discouraged work-seekers, which surged by 81 thousand in the same period. This suggests that while non-metro areas face challenges like lower formal sector job availability, informal sector work is helping cushion some of the economic pressures (Stats SA, 2024).

Furthermore, the movement from rural to urban areas has intensified, as seen by the shifts in the labour force participation rate. While eThekweni saw a decrease in its labour force participation rate from 61.1% to 59.7% (a drop of 2.3 percentage points), non-metro areas experienced a more modest decline of 0.5 percentage points, from 49.3% to 49.0%. This migration places increasing pressure on urban infrastructure, housing, and public services in areas like eThekweni, as the urban labour market becomes more competitive. The rural-to-urban migration and the challenges related to infrastructure demand in urban regions call for targeted development strategies that address both the informal sector's role in non-metro areas and the formal sector's needs in urban centres (Stats SA, 2024).

The province faces a significant challenge with a large portion of its youth not engaged in employment, education, or training (NEET). In Q4 2024, 33.5% of youth aged 15-24 in KZN were classified as NEET, highlighting broader issues in **youth engagement and skill development** across the province. However, several youth employment programmes, including the KwaZulu-Natal Youth Fund, YES Programme (Youth Employment Service), Internship Programme, Integrated Work Experiential Learning, EPWP Skills Development Programme, and KZN Youth Short Skills Training & Placement, are playing an essential role in addressing these challenges. By fostering partnerships between businesses, educational institutions, and government entities, these programmes aim to create more job opportunities and equip young people with the skills needed to meet labour market demands. As a result, these initiatives are crucial in reducing the province's unemployment rate and expanding opportunities for youth in KZN (Stats SA, 2024).

KwaZulu-Natal is facing significant challenges due to the potential job losses from automation, with approximately 54% of jobs in the province at risk due to the **Fourth Industrial Revolution (4IR)**. To address these challenges, the province has implemented several strategies and initiatives. Recognizing the need for reskilling and upskilling, KwaZulu-Natal is focusing on enhancing digital literacy and technology skills, including training in **Artificial Intelligence (AI)** and **Green Technology**. Strengthening labour relations is also a priority to safeguard worker rights and mitigate the impact of job displacement. Sectors most vulnerable to automation include manufacturing, agriculture, and services, with the manufacturing sector undergoing significant transformation due to the adoption of

Industry 4.0 technologies. Partnerships between government, businesses, and educational institutions are key to retraining the workforce, and initiatives like the KZN Automated Licensing System and collaborations with Technical Vocational Education and Training (TVET) colleges aim to empower youth and women in high-demand sectors. The province has already trained over 20,000 individuals in basic and advanced digital skills over the past five years, with a goal to train an additional 50,000 by 2030.

The success of programmes promoting digital literacy and green technology skills is evident in the 30% increase in enrolment in ICT-related programmes at KZN universities and technical colleges since 2018. However, scaling these programmes to reach a broader population faces challenges such as limited access to resources, infrastructure disparities, and the need for targeted outreach to marginalized communities, particularly in rural areas. In summary, KwaZulu-Natal is actively working to address the challenges of automation by focusing on reskilling, fostering partnerships, and prioritizing training in digital and green skills to prepare the workforce for a technology-driven future.

The Department is taking proactive steps to enhance labour market access for individuals with disabilities through initiatives like the Gender, Youth, and People with Disabilities (GEYODI) programme, which provides training, financial support, and mentorship to empower individuals to engage in the workforce and manage businesses. These efforts are aligned with the KwaZulu-Natal Economic Empowerment Strategy for Disabled Persons (2017) and national frameworks such as the White Paper on the Rights of Persons with Disabilities (2015), which aim to promote the inclusion of individuals with disabilities in economic activities. The Department is also developing inclusive policies, accessible infrastructure, and market linkages to ensure full participation in the Small, Medium, and Micro Enterprises (SMME) sector.

To further tackle barriers for youth with disabilities, EDTEA collaborates with education, healthcare, and private sectors to create tailored vocational training and promote inclusive hiring practices. In terms of gender equality in employment, EDTEA is addressing the gender gap through initiatives like the Departmental Strategy on Women and Gender Empowerment (2020), which aims to empower women by providing access to financial resources, skills development, and mentorship. The KwaZulu-Natal Women Economic Empowerment Strategy targets socio-economic barriers by supporting women entrepreneurs and prioritizing women-owned businesses for government contracts. Additionally, EDTEA is working to eliminate gender biases in hiring, pay, and workplace culture through its Employment Equity Plan (2022-2026), focusing on diversity and fair representation at all levels. The Department's commitment to regular assessments of hiring practices, pay equity audits, and fostering inclusive workplace cultures is key to promoting a more equitable labour market for both individuals with disabilities and women.

8.1.4 Small, Micro and Medium Enterprises (SMMEs) Development in KwaZulu-Natal

KwaZulu-Natal has witnessed notable shifts in the SMME landscape, especially in terms of ownership trends and sectoral growth. The latest report highlights a significant rise in SMME ownership within

the province, marking a broader transformation in South Africa's SMME sector. While the proportion of black-owned enterprises remains steady at 74.6%, the share of Indian-owned businesses has increased to 4.4% in 2024, up from 3.8% in 2023. This growth is particularly visible in KZN, contributing to the province's 18.1% share of South Africa's total SMME ownership, ranking it second after Gauteng, which holds 32.4%. Despite this positive shift, the overall number of SMMEs nationwide, including in KZN, has declined by 1.3% year-on-year in 2024, primarily due to challenges in the formal sector, which contracted by 3.2% (SEDA SMME Quarterly Report, 2024).

While KZN's SMME sector continues to show promise, it is impacted by broader national economic challenges, such as inflation, high borrowing costs, and difficult business conditions. The province's SMMEs are also grappling with lower employment rates and declining financial performance, with turnover falling by 3.8% year-on-year in Q1 2024. Despite these challenges, sectors like manufacturing, ICT, and tourism offer significant potential for SMME growth, presenting opportunities for recovery and expansion. The South African ICT market was estimated to reach \$34.90 billion (R650 billion) by the end of 2023, with a projected annual growth rate of 6.9%, reaching \$50 billion (R955 billion) by 2028. Cumulative revenues for 2023-2028 are expected to total \$245.98 billion. The manufacturing sector holds 9.44% of the market share, while the government sector is expected to grow fastest, with an annual growth rate of 11.14% (SEDA SMME Quarterly Report, 2024).

In addition, Liquid Telecommunications is collaborating with Google to expand fibre networks, having already laid 110,000 km of fibre across Africa, with plans to invest an additional \$225 million. Vodacom and MTN Group invest up to R41 billion annually in expanding network infrastructure, while investments in backup power solutions are being made to enhance network resilience during power outages and disruptions. A spectrum auction has been postponed to 2025 (SEDA SMME Quarterly Report, 2024).

(a) Challenges Facing Small, Micro and Medium Enterprises

The SMMEs in KwaZulu-Natal face numerous challenges that significantly impede their growth and long-term sustainability. One of the most pressing obstacles is access to finance, with approximately 70% of SMMEs in South Africa, including those in KZN, struggling to secure adequate funding. Women and youth-owned businesses are particularly disadvantaged, with 60% of female entrepreneurs citing access to finance as their primary barrier (SABCOHA, 2022; RSB, 2022). The stringent lending criteria, such as the need for substantial collateral, limit opportunities for many SMMEs, especially start-ups that lack the necessary resources. Another significant challenge is the complex regulatory environment, where businesses must navigate burdensome compliance requirements, high registration costs, and strict tax and labour laws. About 45% of SMMEs in South Africa identify these regulatory hurdles as a major impediment to their growth (GEM, 2021; SABCOHA, 2022). In addition to this, the lack of market access and heavy reliance on a small number of clients leaves many SMMEs in KZN vulnerable to fluctuations in demand and financial instability. Limited market strategies and a lack of innovation further hinder their competitiveness in an increasingly globalized economy.

In addition to financial and regulatory challenges, KwaZulu-Natal's SMMEs also face issues related to cash flow management, technological constraints, and infrastructure inadequacies. Many SMMEs struggle with inconsistent income streams and delayed client payments, leading to liquidity issues and financial instability. This prevents businesses from taking advantage of growth opportunities and limits their ability to plan for long-term success. Moreover, the region's SMMEs are often slow to adopt and integrate new technologies due to limited access to digital tools and inadequate IT infrastructure. As a result, many businesses are unable to enhance operational efficiency or stay competitive in the digital age, with only 30% of SMMEs in KZN embracing digital solutions (GEM, 2021). Further complicating matters, infrastructure challenges such as unreliable electricity supply, frequent load shedding, and poor transportation networks significantly hinder business operations and limit market access. To make matters worse, rising criminal activity and security concerns, such as extortion and theft, present an additional layer of risk. These safety issues force many SMMEs to divert resources toward securing their businesses, rather than investing in growth. Collectively, these challenges create a hostile business environment, making it difficult for SMMEs in KwaZulu-Natal to thrive. Addressing these barriers will require a holistic strategy involving improved access to finance, better regulatory frameworks, enhanced infrastructure, and stronger security measures to enable SMMEs to realize their full potential.

(b) Support Programmes for Small, Micro and Medium Enterprises

The Department plays a pivotal role in supporting the growth and sustainability of small, micro, and medium enterprises (SMMEs) through a variety of targeted programmes. Recognizing that access to finance is one of the primary barriers for SMMEs, EDTEA offers several initiatives designed to provide financial support and enhance business capabilities. Programmes like the KZN Growth Coalition and KZN Exporter Competitiveness Programme (KECP) focus on helping businesses access funding for expansion, particularly in international markets. The Technology Transfer Fund is another key initiative, providing SMMEs with financial resources to adopt advanced technologies that can improve operational efficiency and competitiveness. EDTEA also supports co-operatives through mentorship and incubation, ensuring they can tap into better financial opportunities and market access. Furthermore, to alleviate the regulatory burdens faced by SMMEs, EDTEA offers various programmes like BEE Interventions, which help businesses comply with Broad-Based Black Economic Empowerment (B-BBEE) requirements. These efforts help SMMEs comply with legal frameworks and position themselves to access larger business opportunities.

To further support SMMEs in KwaZulu-Natal, EDTEA provides programmes designed to improve market access, financial management, technological adoption, and infrastructure development. Initiatives such as Market Access/Exhibition opportunities, KZN Black Industrialist Business Profiling, and Business Linkages help SMMEs reach broader markets and diversify their client base, reducing dependency on a small number of customers. EDTEA also offers mentorship and training to assist SMMEs in managing cash flow, improving financial planning, and addressing liquidity issues. By promoting technological adoption, EDTEA supports SMMEs in overcoming technological constraints through initiatives like the Technology Transfer Fund and Techno Hubs Innovation Centres. These programmes provide businesses with the tools and resources to enhance productivity and remain

competitive in an increasingly digital economy. In terms of infrastructure, EDTEA is actively investing in projects like the Informal Economy Infrastructure Projects and Municipal Employment Initiatives (MEI), which improve transportation, electricity, and access to markets, enabling SMMEs to operate more efficiently. Additionally, EDTEA's security-focused programmes, such as Women and People with Disability Business Development and Co-operatives Mentorship, help businesses manage risks related to criminal activity and improve overall security measures. These comprehensive support programmes are crucial for creating an enabling environment where SMMEs can thrive, innovate, and contribute to the economic development of KwaZulu-Natal.

1. Radical Agrarian Socio-Economic Transformation (RASET) as a strategic initiative for economic growth

The Department is actively implementing Radical Agrarian Socio-Economic Transformation (RASET) through various initiatives aimed at equitable land access, agricultural productivity, and economic empowerment. The key components of RASET in KwaZulu-Natal, as outlined in this document, include:

(i). RASET Strategy and Bulk Buying Programme

- The KwaZulu-Natal RASET Strategy (2017) aims to address historical injustices in land ownership and agricultural development by promoting equitable access to resources.
- The RASET Bulk Buying Programme is designed to leverage collective purchasing power among small-scale farmers and local businesses. This enables them to access essential agricultural inputs such as seeds and fertilizers at reduced costs, improving profitability and sustainability.

(ii). Support for Smallholder Farmers and Agricultural Cooperatives

- The strategy focuses on enhancing agricultural productivity, integrating smallholder farmers into the value chain, and supporting cooperatives.
- The Department is facilitating market access for small-scale farmers to ensure they have sustainable income streams.

(iii). Agro-Processing and Rural Economic Development

- The KwaZulu-Natal Agro-Processing Strategy (2018) supports value addition, skills development, sustainability, and infrastructure to enhance economic growth and employment creation in rural areas.
- The strategy aligns with broader initiatives like the KwaZulu-Natal Township and Rural Economies Revitalization Strategy (2022), which promotes local businesses and economic inclusion in rural communities.

(iv). Economic Empowerment and Job Creation

- The Department supports historically disadvantaged groups, including women and youth, through various agrarian economic interventions.
- The Vegetable Project in Pietermaritzburg, a processing and packaging facility, is expected to create 200 jobs, demonstrating the impact of RASET on employment.
- More than 6,300 jobs have been created through streamlined regulatory processes for agribusinesses.

(v). Market Access and Trade Promotion

- The KwaZulu-Natal Export Strategy aims to improve trade opportunities for agricultural products, helping local farmers access both domestic and international markets.

2. Operation Vula Fund as a strategic initiative for economic growth

The Operation Vula Programme, launched in 2017 by the Department, is a strategic initiative aimed at fostering sustainable socio-economic development and addressing historical inequalities within the province. A cornerstone of this programme is the Operation Vula Fund, introduced in 2019, which offers targeted financial support to emerging small, medium, and micro enterprises (SMMEs), particularly those situated in rural and township areas. Instead of providing cash grants, the fund focuses on procuring essential assets like machinery, raw materials, and equipment, empowering businesses with the resources necessary to grow and thrive. The fund prioritizes historically disadvantaged groups, with a strong emphasis on Black entrepreneurs, women, youth, and people living with disabilities. It supports a variety of key sectors, including Agriculture, Tourism, Manufacturing, and the Green Economy, all of which are integral to the province's economic transformation goals. In its first round, the Operation Vula Fund approved 1,016 applications, distributing R339.2 million and preserving over 5,080 jobs. The second round of funding is already in progress, furthering EDTEA's mission to stimulate economic growth, create jobs, and drive long-term business development, particularly in underdeveloped communities.

(c) Youth, Women and Persons with Disability Owned SMMEs

The latest data shows a decline of 1.3% year-on-year in the total number of SMMEs, falling from 2.71 million in 2023Q1 to 2.67 million in 2024Q1. This drop was largely driven by a significant 3.2% reduction in formal sector SMMEs, although informal SMMEs saw a slight increase of 0.2%. The decline was predominantly attributed to a weak performance in 2023, particularly in the third quarter, amid difficult business conditions. However, there are signs of gradual recovery, with a 0.3% growth in SMMEs from the previous quarter. Provincially, Gauteng leads with 32.4% of SMME ownership, followed by KwaZulu-Natal at 18.1% and the Western Cape at 12.9%. Sector-wise, 37.2% of SMMEs operate in trade and accommodation, followed by community services at 15.7%, financial and business services at 15.3%, and construction at 12.5% (SEDA SMME Quarterly Report, 2024).

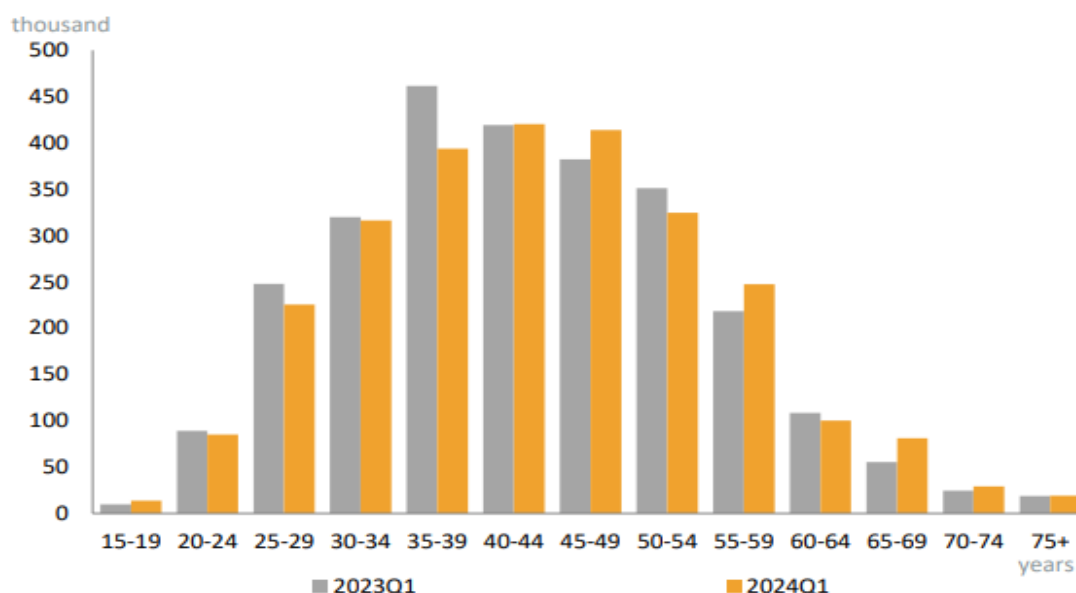
The construction sector has faced challenges, as fewer building plans are being approved. Employment within SMMEs also saw a decline of 4% in 2024Q1, with the number of individuals employed dropping from 11.8 million in 2023Q1 to 11.4 million. Despite comprising only about 30% of all SMMEs, the formal sector accounts for 60% of SMME employment. In terms of ownership demographics, the proportion of black-owned enterprises remained stable at 74.6%, although the number of black-owned enterprises declined by 1.4% (27,700 fewer businesses). Indian-owned enterprises increased to 4.4% of the total, up from 3.8% in 2023, marking a 14% rise since 2008, with this growth being particularly notable in KwaZulu-Natal. Conversely, the proportion of white-owned enterprises continued to decline, falling to 16.2% from 16.7% in the previous year, marking a long-term downward trend from 22.6% in 2008 (SEDA SMME Quarterly Report, 2024).

Financially, SMEs continue to struggle, with their turnover accounting for only 23.1% of total turnover. The challenging economic environment, marked by high inflation and borrowing costs, put pressure on both demand for SME products and services and production costs, leading to a 3.8% year-on-year drop in nominal turnover in 2024Q1. Key sectors such as manufacturing, ICT, and tourism have been identified by SEDA as potential growth areas for SMMEs, despite the ongoing financial and operational difficulties (SEDA SMME Quarterly Report, 2024).

Youth-Owned SMMEs

The data on SMME ownership in South Africa reveals significant trends related to the age distribution of owners, with notable shifts occurring between 2023 and 2024. Younger individuals, particularly those under 40, have shown a decline in SMME ownership, with the most pronounced drops seen in the 25-29 and 35-39 age groups, possibly due to younger people opting for the increasing job opportunities available in the broader economy. This trend has led to a slight increase in the average age of SMME owners, rising from 43 to 44 years. In contrast, ownership among individuals aged 40 and older has increased, with notable growth in the 65-69 age group, which saw an impressive rise of 47%. The largest proportion of SMME owners, nearly 58%, still falls within the 30-50 age range, with the median age hovering around 40-44. This suggests that while younger people typically enter businesses in their twenties, many begin to retire or exit the market around the age of 50. The total number of SMME owners experienced a slight decline of 1.3% from 2023Q1 to 2024Q1, with the sharpest decreases occurring in the 25-29 age group. The trends reflect a broader shift towards older individuals sustaining their involvement in business, likely due to the flexibility and income stability small businesses offer in later career stages (SEDA SMME Quarterly Report, 2024).

Figure: Age Distribution and Trends of SMME Owners in South Africa (2023-2024)



Source: SEDA SMME Quarterly Report, 2024

Women-Owned SMMEs

The QLFS Q2: 2014 & 2024 data reveals that both male and female entrepreneurs were predominantly involved in the informal sector, with women representing a significant portion (77.7% in 2014 and 76.0% in 2024). Over this period, the proportion of female-run businesses in the informal sector declined slightly by 1.7 percentage points, while male-run businesses in the same sector increased by 5.8 percentage points. Female participation in the formal sector grew from 20.0% in 2014 to 21.6% in 2024, contrasting with a 5.7 percentage point decline in male-run businesses. Both genders experienced a minor decrease of 0.2 percentage points in the agricultural sector. This highlights a shift in business patterns, particularly in terms of formal and informal sector participation. In KwaZulu-Natal, women own around 30% of the province's SMMEs (EDTEA, 2023; SABCOHA, 2022), highlighting the growing role of women in the economy. However, many women entrepreneurs continue to face challenges, especially in accessing finance. To address these barriers, the KwaZulu-Natal Women.

Persons with Disability-Owned SMMEs

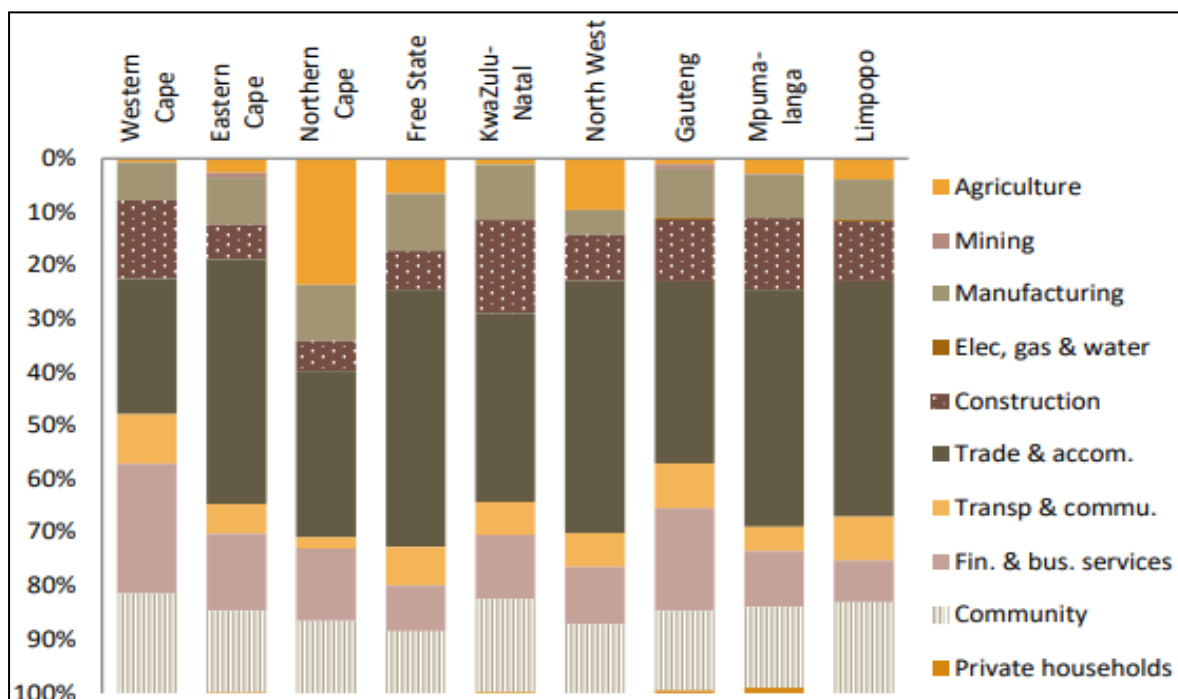
Persons living with disabilities play a vital role in South Africa's SMME sector yet face challenges like limited access to finance and infrastructure. In the 2024/25 financial year, the Department of Small Business Development (DSBD) allocated R64 million to support PWD-owned businesses as part of a broader R2.16 billion for SMMEs and cooperatives. This funding provides access to finance, mentorship, training, and market opportunities. Additionally, the Operation Vula Programme by EDTEA offers targeted support to emerging SMMEs, including PWD businesses, through funding for essential assets. In its first round, the Operation Vula Fund distributed R339.2 million, preserving over 5,080 jobs. These initiatives help create a more inclusive business environment, enabling PWD-owned businesses to grow and thrive.

In conclusion, while EDTEA has made significant strides in supporting youth, women, and persons with disabilities in the SMME sector, further alignment with existing provincial and national strategies is essential. By continuing to strengthen and expand programmes such as the KwaZulu-Natal Youth Economic Empowerment Strategy, KwaZulu-Natal Women Economic Empowerment Strategy, and the KwaZulu-Natal Economic Empowerment Strategy for Disabled Persons, EDTEA can ensure that these vulnerable groups have the tools, resources, and opportunities to thrive. These efforts will contribute to a more inclusive and equitable economic landscape in KwaZulu-Natal, driving sustainable growth and development across all sectors of society.

(d) Distribution of SMMEs across Various Industries

In KwaZulu-Natal, SMMEs are predominantly concentrated in the trade and accommodation, manufacturing, and community services sectors, reflecting the province's focus on tourism, industrial activities, and social services. The presence of manufacturing aligns with industrial hubs around the Durban area, where textiles, chemicals, and automotive parts are significant industries.

Figure: SMMEs by Industry and Province, 2024: Q1



Source: SEDA SMME Quarterly Update, Q1 2024

In the first quarter of 2024, KwaZulu-Natal had a significant number of Small, Medium, and Micro Enterprises (SMMEs) across various industries. Agriculture stood as a prominent sector with 5,741 SMMEs, contributing heavily to the province's economy. Manufacturing also made a notable contribution with 49,942 SMMEs, reflecting the region's industrial strength. The construction sector in KZN was a major player with 84,783 SMMEs, aligning with the province's growing infrastructure and development. Additionally, trade and accommodation businesses were substantial, with 171,307 SMMEs, indicating a thriving tourism and retail sector. Financial and business services, with 58,078 SMMEs, further demonstrate KZN's diverse economic landscape. KZN's total SMMEs in all sectors amounted to 484,581, highlighting its dynamic contribution to the national economy. Trade and accommodation are particularly strong, driven by the tourism industry along the coast (SEDA SMME Quarterly Report, 2024).

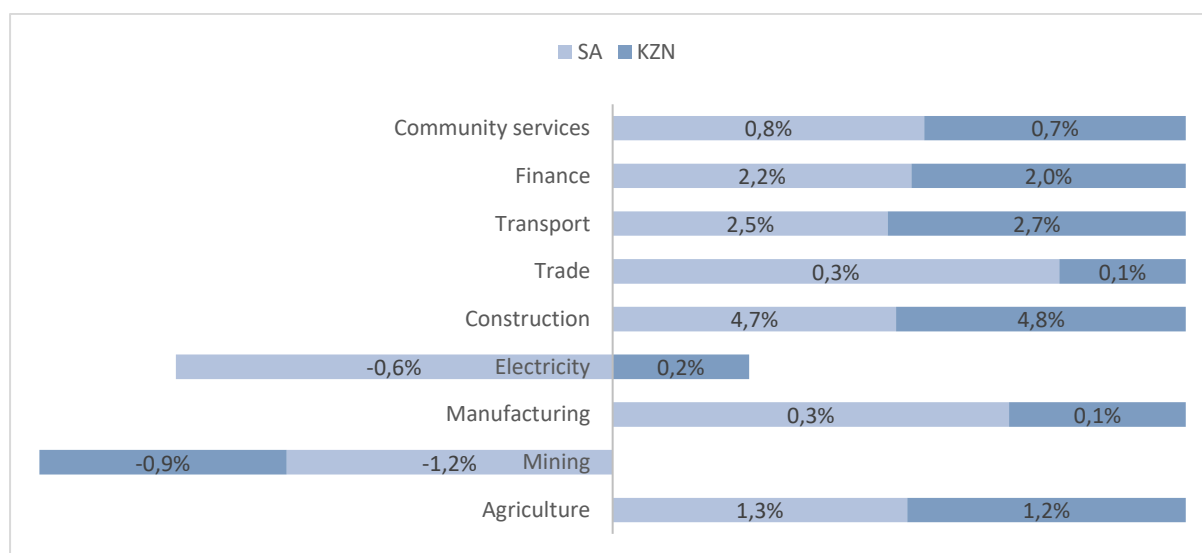
Community services, including healthcare and education, also hold a notable share, reflecting the demand for social services across urban and rural areas. Agriculture remains visible among SMMEs, especially in rural parts of the province, while financial and business services are more prominent in urban areas like Durban and Pietermaritzburg. Transport and communication, linked to logistics networks around the port of Durban, and construction, supported by ongoing infrastructure projects, also contribute to the SMME landscape. Mining and utilities, however, have minimal representation, as these sectors are either dominated by larger firms or not significant in the region's small business environment. For EDTEA, this distribution of SMMEs in KwaZulu-Natal highlights the need to focus on supporting trade, accommodation, manufacturing, and community services sectors, while fostering tourism, industrial development, social services, and rural agriculture, to drive inclusive economic growth in the province. The continued support for SMMEs by the Department will also make a major

contribution to the outcomes of the Acceleration Plan to Achieve NDP Targets by 2030 (SEDA SMME Quarterly Report, 2024).

8.1.5 Manufacturing Sector Analysis in KwaZulu-Natal

KwaZulu-Natal's manufacturing sector is a significant contributor to both the provincial and national economy, representing approximately 15% of the provincial GDP and around 11% of the national GDP. The region is a manufacturing powerhouse second only to Gauteng, with key industries including automotive, textile, food processing, chemicals, petrochemicals, and mining. Major industries such as vehicle and component manufacturing, pulp and paper products, and chemicals drive employment, providing 20% of the province's jobs. This sector is highly export-oriented, producing nearly one-third of South Africa's manufactured exports, notably in the automotive and vehicle leather industries, which are crucial for foreign exchange earnings (TIKZN & Quantec EasyData, 2024).

Figure: Sectoral Contribution (%) to GDP-R, Q3: Constant 2015 price, 2024



Source: IHS Markit, 2024

The manufacturing sector in KwaZulu-Natal faces both challenges and opportunities in global and local markets. Trade barriers, market access, and the potential for export expansion are key concerns. The province's diversified manufacturing base aids its competitiveness by facilitating downstream development in industries like aluminium and stainless steel, where small businesses contribute significantly to value-added initiatives. Sectors such as jewellery manufacturing, ship-building, and plastics, with clusters in Durban and Pietermaritzburg, further enhance KwaZulu-Natal's global standing. The growth of export-oriented industries, such as vehicle manufacturing and the leather industry, continues to strengthen the KZN's position in the global market (Ezomnotho, 2024).

Industry 4.0 technologies are transforming KwaZulu-Natal's manufacturing sector through robotics, automation, and innovative processes that enhance production efficiency and product quality. Key industries like automotive, chemicals, and food processing are adopting these technologies to stay competitive. Automation boosts productivity, while robotics improves operational capabilities,

positioning the province as a leader in tech adoption within South Africa. Sustainability is also a focus, with initiatives in green manufacturing and energy efficiency, particularly in energy-intensive sectors like chemicals. Companies are investing in sustainable practices to reduce their carbon footprint and support the province’s environmental goals (Ezomnotho, 2024).

Workforce readiness is crucial, with training programmes designed to equip workers with skills for emerging technologies in Industry 4.0. Emphasizing capacity building in small and medium-sized enterprises (SMMEs) helps address skills gaps, ensuring the sector can adapt and support increased production demands. For the Department, the transformation in KwaZulu-Natal's manufacturing sector highlights the need for supportive policies that promote Industry 4.0 adoption and sustainability. It emphasizes workforce development to address skills gaps and encourages innovation through partnerships. Additionally, enhancing regulations for environmental practices and establishing metrics for impact assessment will be crucial for informed decision-making (Ezomnotho, 2024).

8.1.6 Infrastructure Development Analysis in KwaZulu-Natal

Infrastructure development projects in KwaZulu-Natal are set to significantly enhance the region's economic landscape. Key initiatives include the Durban Container Terminal Upgrade, a partnership with ICTSI aimed at increasing the terminal's handling capacity from 2.9 million Twenty-foot Equivalent Units (TEUs) to 11 million TEUs by 2032. Complementing this, the Newlyn PX Bayhead Rail Terminal is being developed as a multimodal hub designed for handling, storing, and moving various cargo types. This terminal is strategically located adjacent to the Port of Durban, further improving the region's logistics capabilities. Additionally, the Richards Bay Energy Hub is under development, which will feature Eskom’s 3,000 MW gas power station, alongside significant investments such as Mabasa Energy and Fuels (R10 billion) and NFE BGE Gas Supply (R25 billion). Furthermore, a battery energy storage system by Hyosung Heavy Industries will play a crucial role in enhancing the region's energy security (South African Business, 2024).

Figure: Durban Container Terminal Upgrade



Source: Transnet, 2024

Figure: Twenty-foot Equivalent Units (TEUs)



Source: Google, 2024

Figure: Newlyn PX Bayhead Rail Terminal



Source: Newlyn Group, 2023

Figure: Richards Bay Energy Hub



Source: freightnews, 2024

Figure: Hyosung Heavy Industries



Source: hyosungheavyindustries, 2024

Figure: Dube TradePort (King Shaka International Airport)



Source: WHBO, 2024

Alongside these developments, KwaZulu-Natal is focusing on establishing Special Economic Zones (SEZs), with a robust investment pipeline of R22 billion at Richards Bay and Dube TradePort (King Shaka International Airport). The province is also working on plans for further SEZs that will target industries such as leather and textiles, aiming to diversify the local economy. In line with this, the launch of Bell Heavy Industries, a division of Bell Equipment focusing on project engineering and contract manufacturing, adds to the region's industrial capabilities. Moreover, private energy generation initiatives are being encouraged, allowing investors to produce up to 100 MW without navigating complex licensing processes. The restoration of SAPREF operations, following its acquisition by the Central Energy Fund, will support the energy landscape by resuming activities at South Africa's largest crude oil refinery. At the same time, SmartXchange, a technology innovation node based in Durban, serves as a dynamic business incubation centre. This initiative is dedicated to fostering entrepreneurship, supporting KwaZulu-Natal's vision of becoming a major technological hub, and providing resources, mentorship, and networking opportunities for emerging tech start-ups (South African Business, 2024).

Recent Infrastructure Investments in Trade Hubs

The Durban Port Expansion Project is a major infrastructure initiative designed to enhance the port's capacity to handle increased trade volumes. Key upgrades include the deepening of berths to accommodate larger vessels, the installation of automated cargo handling systems to improve efficiency, and the expansion of container terminals to reduce congestion and boost throughput capacity. This investment aims to position Durban as a world-class logistics hub, vital for KwaZulu-Natal's export economy, particularly for industries like manufacturing, agriculture, and mining.

The Richards Bay Industrial Development Zone (RBIDZ) has focused on creating specialized infrastructure to attract investments in energy, agro-processing, and metals industries. Recent developments include the establishment of new export-oriented facilities for coal and aluminium, as well as the introduction of renewable energy projects. These developments aim to strengthen Richards Bay's position as a key industrial hub in the region.

Dube TradePort has also seen significant investments, including enhancements to the cargo terminal and the construction of state-of-the-art cold storage facilities that support agriculture exports. A focus on air freight logistics and connectivity to key export destinations like the Middle East and Europe

offers a strategic advantage for high-value goods, further solidifying the region's role as an international trade hub.

In addition, the expansion of road and rail networks is crucial for connecting trade hubs to the hinterland. Upgrades to key road corridors, such as the N3 Highway, are critical for improving freight transport efficiency. Similarly, rail infrastructure projects that enhance connectivity to Durban and Richards Bay have been prioritized to reduce reliance on road transport, which will help streamline logistics and improve the overall trade network in the region.

Addressing Water Scarcity and Infrastructure Challenges

Water scarcity is another critical aspect of KZN's infrastructure strategy, impacting both agriculture and urban areas. The region faces challenges with aging water infrastructure that struggles to meet increasing demand, leading to unreliable supply and threatening agricultural productivity, particularly crop irrigation. Urban areas also suffer from inadequate sanitation, exacerbating public health and environmental issues. To address these challenges, investments in modern water management systems and infrastructure upgrades are essential. By enhancing water and sanitation services, KZN can bolster agricultural growth, improve living conditions in urban centers, and pave the way for a more resilient and sustainable future for its communities.

EDTEA's Alignment with Infrastructure Master Plan

The Infrastructure Master Plan outlines long-term strategies for infrastructure development with a key focus on economic growth and job creation through strategic investments. EDTEA (Economic Development, Tourism, and Environmental Affairs) aligns with the goals of this plan through several key focus areas:

1. Strategic Industrial Interventions:

- EDTEA supports investments in critical infrastructure such as maritime projects, the development of aerotropolises, and the establishment of Special Economic Zones (SEZs).
- These industrial interventions are key to fostering economic growth, attracting investment, and creating employment opportunities, all of which align with EDTEA's mandate for economic development.

2. Environmental Management Programme:

- EDTEA's focus on environmental sustainability aligns with the Infrastructure Master Plan's emphasis on developing coastal and biodiversity management strategies.
- Efforts to enhance climate resilience, including the protection of coastal ecosystems and biodiversity, contribute to the long-term sustainability of infrastructure and economic activities.

3. Disaster Management and Resilience:

- A critical focus of the Infrastructure Master Plan is building infrastructure resilience, particularly in the face of natural disasters.
- EDTEA is committed to supporting initiatives aimed at developing flood-resistant systems and retrofitting essential infrastructure to withstand climate-related disasters. This is in line with the department's broader efforts to build resilience in communities and key infrastructure sectors.

4. Energy and ICT Investments:

- The Infrastructure Master Plan highlights the importance of energy security and digital infrastructure development.
- EDTEA aligns with these objectives by supporting energy investments that promote industrial growth, energy efficiency, and the development of digital infrastructure. Additionally, EDTEA's focus on ICT investments contributes to the creation of modern industrial parks and supports the digital economy.

8.1.7 Digital Economy and Innovation Analysis in KwaZulu-Natal

South Africa's economic transformation agenda aims to foster inclusivity while transitioning from its traditional minerals-energy-finance complex to a more integrated economic ecosystem that embraces new information and communication technologies. Digital transformation is reshaping how industries operate, how people socialize, learn, work, access public services, transact, and innovate. The 2024 Report on The Economic Opportunity of Digital Platforms in South Africa by Naspers suggests that the digital platform sector could contribute up to R91.4 billion to the economy by 2035, increasing its share from a mere 0.02% in 2022 to 1.38%. By 2025, the digital economy is projected to account for between 5.2% and 7.8% of GDP in Africa and South Africa, potentially growing to 8.2% and 13% by 2050.

South Africa stands as one of the leading digital platform markets in Africa, alongside Kenya and Nigeria, serving as a hub for innovators and investors and a gateway for global players. Cape Town and Johannesburg are regarded as Africa's "Silicon Valleys," providing significant opportunities for digital entrepreneurs. This is illustrated by the recent entries of major e-commerce platforms such as Shein, Temu, Amazon, and Zandaux.

However, the growth of the digital platform market faces challenges such as low discretionary income levels, skills shortages, and limited venture capital availability. The adoption of digital platforms varies significantly across sectors. For instance, platforms in innovation (like software and app stores), classifieds (such as AutoTrader), and accommodation (like Trivago/Tourvest) are witnessing broad adoption. Meanwhile, e-commerce platforms (like Takealot.com, Checkers Sixty60, Nedbank Avo, and Zulzi) and FinTechs (such as Yoco) are growing rapidly, although they encounter challenges related to income levels and market limitations. E-hailing services (like Uber) and food delivery platforms (such as Mr. D) are expanding swiftly but nearing critical scales. Additionally, digital platforms are enhancing competition through price comparisons and making a social impact in sectors like AgriTech (e.g., Khula), HealthTech (e.g., Kana Health), and EdTech (e.g., Vodacom e-Learning), even as these sectors remain emergent. Notably, digital platform start-ups and FinTechs attracted considerable venture capital interest, comprising 48% of deals in 2023.

The Department of Communications and Digital Technologies (2024) highlights that KZN achieved a broadband penetration rate of around 67%, with urban areas like Durban nearing 85%. Rural regions, however, lag behind with access rates below 50%. The government aims to boost overall broadband

connectivity to 80% by 2025, with ongoing projects targeting rural areas. KZN is home to over 25 active innovation hubs and tech incubators, collectively supporting more than 300 start-ups across various sectors, including fintech, agritech, and health tech. Innovate Durban, a leading innovation hub, has supported over 200 start-ups since its inception, contributing an estimated R150 million to the economy. The KZN start-up ecosystem is rapidly expanding, with annual funding for tech start-ups increasing by 20% year-on-year since 2020.

In 2023, South Africa's e-commerce market surpassed R50 billion, with KZN accounting for approximately 18% of this figure. The number of KZN-based businesses engaging in online sales surged by 45% since 2019. Notably, 70% of small businesses adopting e-commerce platforms reported revenue increases, with some experiencing growth rates as high as 50%, particularly in the fashion, electronics, and food sectors (South African E-commerce Association, 2024). Nationally, South Africa ranks 53rd in the Global Innovation Index, with KZN significantly contributing to the country's innovation capabilities. In KZN, around 25% of businesses in finance and manufacturing have incorporated technologies like AI, IoT, and blockchain into their operations. The agricultural sector in KZN is also increasingly utilizing 4IR technologies, such as IoT-based smart farming and blockchain for supply chain transparency, projected to enhance crop yields by 10-15% by 2025 (Global Innovation Index, 2024).

Training programmes have expanded significantly, with the KZN government and private sector initiatives training over 20,000 individuals in basic and advanced digital skills over the past five years. The Department of Higher Education and Training reports a 30% increase in enrolment for ICT-related programmes at KZN universities and technical colleges since 2018. Despite this progress, the province aims to train an additional 50,000 people in digital skills by 2030, focusing on software development, cybersecurity, and data analytics.

The EDTEA (Economic Development, Tourism, and Environmental Affairs) has a strategic opportunity to drive KZN's digital transformation by enhancing broadband access, fostering the startup ecosystem, supporting e-commerce growth, and encouraging the adoption of 4IR technologies. By investing in digital infrastructure, EDTEA can help bridge the connectivity gap, particularly in rural areas, promoting inclusivity and access to digital services. Through partnerships and support for innovation hubs, the Department can stimulate local job creation and attract talent. Additionally, by enhancing digital skills training programmes, EDTEA will better prepare citizens for a technology-driven economy. Collectively, these efforts can advance economic growth, support sustainable development, and position KZN as a leader in South Africa's digital landscape.

Potential working relationships with selected South African platforms, categorized by their funding sources, market segments, and notable incumbents or independents (The Economic Opportunity of Digital Platforms in South Africa, 2024).

Figure: South African platforms, categorized by their funding sources, market segments, and notable incumbents or independents

Naspers-funded	Founders Factory Africa-funded	Top B2B Platforms	Incumbents	Prominent Independents
SweepSouth	Zindi	Nile	Checkers Sixty60/ Money Market	Yoco
Aerobotics	Wazi	3G Mobile	Pick n Pay ASAP	Khula
Nile	Truzzo	Argility	Vodacom VodaPay	Zulzi
Valenture Institute	Trippolo	Altron Docu solutions	MTN Momo	Delivery ka Speed
WhereIsMyTransport	Tunl	HelloChoice	Telkom Zoho & Telkom Learn	Order Kasi
Ctrl	Revix	Selpal	Nedbank Avo	Yebo Fresh
Naked	Locumbase	Mobile in Africa	Old Mutual SMEgo	Shesha
Planet42	Healthdart	Lemon	Pepkor, Pep Money & Flash	Zando
Lifecheq		Morpheus	Capitec Avafin	Tyme Bank
			Bidvest Bidsend	Bank Zero
				KasiD

Source: Author compilation

Alignment with Provincial Digital Transformation Strategy

KZN's digital strategy should integrate more detailed milestones, specifically related to establishing more digital hubs, enhancing rural broadband access, and bolstering the adoption of emerging technologies. Given the rapid growth of e-commerce and tech startups, these sectors should see a more coordinated push to scale digital infrastructure. KZN needs to focus on building resilience in its growing digital economy. As digital platforms expand, there must be parallel efforts to bolster cybersecurity. This is not only a matter of protecting users and data but also ensuring the province can attract investors and innovators without fears of cyber threats. Addressing the rural-urban divide in broadband access remains a key challenge. By expanding high-speed internet availability to rural areas (where broadband penetration is currently below 50%), KZN can ensure inclusivity and empower more communities to tap into the digital economy. A major milestone could be expanding broadband penetration to 80% by 2025, in line with national goals.

EDTEA's Implementation of ICT Tools and Technologies

The Department plans to implement several specific ICT tools and technologies to support remote work and enhance service delivery. Key initiatives include:

- 1. KZN Automated Licensing System:** This system is designed to streamline the business licensing process, making it more efficient and accessible for users. It aims to facilitate the issuance of business licenses and permits across multiple municipalities, thereby improving service delivery.
- 2. Digital Transformation Initiatives:** The Department is focusing on integrating digital platforms for various services, which includes the development of online booking systems and mobile applications to enhance user experience and operational efficiency.

3. **Smart Tourism Solutions:** These solutions will provide real-time information to visitors about transport, attractions, and accommodations, thereby improving the overall visitor experience and operational efficiency in the tourism sector.
4. **Data Analytics and Visitor Management:** The Department plans to adopt data-driven approaches to manage tourist flow and optimize resources, which will enhance service delivery in the tourism sector.
5. **Investment in Digital Infrastructure:** There is a commitment to enhance broadband access and digital skills training, particularly in rural areas, to ensure inclusivity and improve access to digital services.
6. **Measures for Security and Privacy of Users:** To ensure the security and privacy of users, the Department will implement a Cyber Risk Management Framework as part of its ICT strategy. This framework is essential for safeguarding user data when utilizing online services and remote work platforms.
7. **Resources Required for ICT Solutions:** The successful implementation and maintenance of ICT solutions will require adequate budget allocation, training for staff, and the establishment of necessary infrastructure. The Department emphasizes the importance of resource optimization and strategic partnerships to enhance operational efficiency.
8. **Potential Barriers to Adopting ICT Solutions:** Anticipated barriers include infrastructure limitations, budget constraints, and user readiness. The Department is considering strategies such as strategic planning, capacity building, and stakeholder engagement to address these challenges.

8.1.8 Trade and Investment Analysis in KwaZulu-Natal

(a) Export Opportunities and Challenges

KwaZulu-Natal is a province with both substantial export potential and significant challenges that affect its global trade competitiveness. In the third quarter of 2024, KZN's total exports amounted to R42.1 billion, with aluminium being the dominant export product, accounting for 20% of total exports, valued at R8.4 billion. Other key exports include motor vehicles (R5.8 billion, or 14% of total exports), ores, slag, and ash (R5.4 billion, or 13%), and nuclear reactors, valued at R2.1 billion (5%). These products reflect KZN's strengths in mining, manufacturing, and agriculture, positioning the province favourably in international markets. However, despite these opportunities, KZN's trade performance remains constrained by a persistent trade deficit. In Q3 2024, KZN recorded a negative trade balance of R7.6 billion, as imports outpaced exports, a trend that has been ongoing since the start of 2024. The import surge, particularly in mineral fuels (R6.7 billion), nuclear reactors (R4.1 billion), and motor vehicles (R3.8 billion), highlights the structural challenges KZN faces in balancing trade. This trade imbalance mirrors national trends, where South Africa's trade balance fell from R50.7 billion in Q2 to R34.8 billion in Q3 2024, a 31% decrease, largely driven by rising imports. The trade deficit also highlights the challenges that KZN faces, as it continues to import more high-value goods than it exports, putting pressure on its balance of payments and currency stability (Quantec, 2024).

KZN's export sector is also hindered by external factors, including rising global competition and logistical inefficiencies. The motor vehicle sector, which traditionally has been a strong performer, saw

an 18.9% decline in exports in Q3 2024, reflecting challenges within the sector. This decline is attributed to heightened competition from countries like China and India, which have become dominant players in the global automotive market. The province's export competitiveness is further impacted by global shipping disruptions and inefficiencies at South Africa's ports. Shipping costs have surged over the past year due to supply chain bottlenecks, exacerbating the logistical challenges faced by KZN exporters. These inefficiencies are compounded by rising import costs, particularly in mineral fuels, which continue to strain the province's trade balance. For example, in Q3 2024, mineral fuel imports alone accounted for 14% of KZN's total imports, amounting to R6.7 billion. These rising import costs, combined with KZN's reliance on key imports such as motor vehicles, electrical machinery, and chemicals, reflect the imbalance between imports and exports. Furthermore, KZN faces rising competition in sectors such as motor vehicles and machinery, where lower-cost producers from Asia have gained significant global market share. In comparison, China, which is both the largest importer and exporter to KZN, recorded a 25% share of KZN's imports, highlighting the dominance of Asian markets in KZN's trade profile (Quantec,2024)..

Despite these challenges, KZN continues to leverage international trade agreements to improve market access. The Southern African Development Community (SADC) and the African Growth and Opportunity Act (AGOA) provide important opportunities for the province to enhance export growth. In Q3 2024, the United States emerged as the largest single market for KZN's goods, accounting for 12% of the province's total exports, valued at R5.1 billion. This has been particularly significant for sectors such as agriculture and machinery. Additionally, regional trade within the Southern African region has seen growth, with KZN increasing its exports to countries like Namibia and Botswana. However, despite these efforts, KZN's persistent trade deficit remains a challenge, highlighting the need for more strategic export diversification and infrastructure improvements (Quantec,2024). In this context, addressing energy instability, which has long been a major hindrance to economic output in key export sectors, will be crucial. Frequent power outages and load shedding disrupt production in manufacturing, mining, and agro-processing sectors, increasing energy costs and reducing KZN's competitiveness in both regional and international markets. To mitigate these challenges, KZN could invest in renewable energy solutions, such as solar farms and wind energy, and encourage businesses to participate in the Independent Power Producer (IPP) programme. Additionally, promoting energy efficiency programmes, encouraging off-grid power systems, and fostering public-private partnerships (PPPs) to build microgrids could enhance energy security and help maintain production levels, ensuring a more competitive and sustainable export environment.

(b) South Africa and KwaZulu-Natal Trade Performance

According to Quantec (2024) South Africa experienced a slight dip in total exports during Q3 2024, with exports falling by 1% compared to the previous quarter, amounting to R509 billion. Meanwhile, the country saw a 2% increase in imports, which totaled R474 billion. Motor vehicles, platinum, and gold were the leading export products, contributing 10%, 9%, and 7% to the total export value, respectively. On the import side, mineral fuels and oils represented the largest share, accounting for 18% of imports, followed by nuclear reactors and electrical machinery. The trading relationship with

China remained significant, as it was both South Africa's largest export partner (11% of exports) and its top source of imports (22% of total imports).

Figure: South Africa Main Trading Partners, 2024 Q3

Country	Exported Value, 2024 Q3	% Share	Country	Imported Value, 2024 Q3	% Share
1.China	R58 129 407 646,00	11%	1.China	R106 824 269 782,00	22%
2.United States	R37 602 405 877,00	7%	2.India	R34 017 695 499,00	7%
3.Mozambique	R33 517 253 884,00	7%	3.Germany	R31 293 662 231,00	7%
4.Germany	R29 404 498 059,00	6%	4.United States	R30 914 292 052,00	7%
5.United Kingdom	R23 069 379 507,00	5%	5.Thailand	R16 375 619 330,00	3%
Total RSA Exports	R509 756 365 226,00		Total Imports	R474 943 660 925,00	

Source: Quantec, 2024

KwaZulu-Natal experienced a modest growth in its external trade of goods during Q3 2024, with trade totaling R91.7 billion, a 3% increase from the previous quarter. However, the province still faced a trade deficit of R7.6 billion, primarily influenced by a decline in vehicle exports and a rise in imports, particularly mineral fuels. KZN's main export products included aluminium, which made up 20% of its exports, followed by motor vehicles and ores. On the import side, the province's major imports were mineral fuels and oils (14%), nuclear reactors (8%), and motor vehicles (8%).

The United States remained a key export destination for KZN, accounting for 12% of the province's exports, largely due to the benefits of the African Growth and Opportunity Act (AGOA). China and India were the primary sources of imports for KZN, collectively contributing over 35% of the province's total import needs. A notable shift in KZN's trading dynamics was the Netherlands surpassing Zimbabwe to become the third-largest export partner for the province. For South Africa as a whole, Mozambique emerged as a more significant export destination than Germany, further highlighting the evolving nature of global trade relationships.

Both South Africa and KZN continue to face trade imbalances, with imports surpassing exports in several key sectors. China's dominant role in the trade dynamics of both regions remains clear, as it ranks highly in both exports and imports. Additionally, shifts in trade relationships, such as Mozambique's rise in South Africa's export rankings and the Netherlands' growing importance for KZN, demonstrate how trade patterns are adapting in response to global economic changes.

(c) Investment in Strategic Sectors

KwaZulu-Natal presents a compelling investment opportunity, particularly in key sectors such as manufacturing, tourism, agriculture or agro-processing, renewable energy, and the clothing and textile industry and footwear sector; The province's rich natural resources and tourism potential are significant draws for investors. Initiatives aimed at expanding renewable energy projects are crucial for addressing local energy challenges, ultimately driving job creation and economic diversification. On a broader scale, South Africa emerges as a vibrant and dynamic market with a rapidly growing middle class and diverse economic landscape, making it the continent's principal manufacturing hub.

The maritime and oceans economy is another critical area for investment in KZN and South Africa, leveraging the province's extensive coastline and established port infrastructure. This sector encompasses shipping, fishing, marine tourism, and coastal mining, presenting numerous opportunities for growth and innovation. The South African government has prioritized the development of the maritime economy, recognizing its potential to create jobs and stimulate economic activity. Investing in this sector not only supports the local economy but also positions investors to tap into the growing global demand for sustainable marine resources and services. With a strategic location, advanced logistical capabilities, and a skilled workforce, KZN is ideally positioned to become a leader in maritime trade and innovation. Coupled with the benefits of a diverse consumer base, excellent transport links, and access to regional markets through initiatives like the African Continental Free Trade Area, KZN stands out as an attractive destination for investors looking to capitalize on the significant growth potential in the maritime economy as well as in other dynamic industries. Other sectors to invest on would be chemicals and detergents, mineral beneficiation, film sector; green industries; digitisation and innovation.

8.1.9 Operation Phakisa: Oceans Economy/ Maritime Analysis for KwaZulu-Natal

The Department of Economic Development, Tourism, and Environmental Affairs in KwaZulu-Natal has outlined several specific projects and initiatives aimed at enhancing the oceans economy/maritime, particularly in shipping, fishing, and marine tourism. Here are some key projects and strategies:

- **Investment in Marine Manufacturing and Maritime Infrastructure:** The Department is focused on enhancing the existing maritime infrastructure, including the KZN ports infrastructure upgrade and their supporting superstructure, which aims to improve port operations efficiency, and add value to the logistics to ensure seamless movement of cargo.
- **Richards Bay Industrial Development Zone (RBIDZ):** This entity is designed to create specialized infrastructure to attract investments in energy, agro-processing, and metals industries. The development of new export-oriented facilities is part of this strategy, which aims to strengthen Richards Bay's position as a key industrial hub.
- **Community-Based Tourism Initiatives:** The Department promotes community-based tourism models that involve local communities in tourism planning and development. This approach ensures that tourism benefits are widely shared and supports local economies.

- **Promotion of Eco-Tourism:** The Department is actively engaging in partnerships with conservation organizations to promote eco-tourism, which is expected to attract more visitors and support sustainable practices in the tourism sector.
- **Sustainable Fishing Practices:** The Department is committed to promoting sustainable fishing practices that protect marine biodiversity while supporting local fishing communities. This includes initiatives aimed at enhancing the capacity of local fishers.
- **Maritime Skills Training:** The Department offers Maritime Skills Training in partnership with private companies, focusing on various technical skills to enhance digital competencies in the maritime sector.

8.1.10 Governance and Policy Landscape

The development landscape in KZN is shaped by a range of key policies and frameworks that provide strategic direction for regional growth. At the core of this landscape are the United Nations SDGs, the African Union Agenda 2063, and South Africa's NDP. These international and national frameworks are further supported by regional strategies, including the MTDP 2024-2029, the NSDF (2022), and the PSDF (2022). Collectively, these documents outline priorities for sustainable growth, offering a clear vision for the province's development.

At the provincial level, the PGDS focuses specifically on promoting economic development within the region. Key initiatives such as OSS and the DDM encourage community engagement and foster coordinated planning. Additionally, the Science, Technology, and Innovation Decadal Plan positions innovation as a vital driver of economic progress. These efforts are further reinforced by commitments outlined in the SONA, the SOPA, and resolutions from the Executive Council Lekgotla. Together, these policies aim to address the triple challenges of poverty, unemployment, and inequality while fostering sustainable economic growth and improving the socio-economic landscape of KZN. Part A of this document details how these policies align with the overall mandate of the Department and reflect both national and provincial priorities, ensuring a cohesive approach to development across sectors.

The policies in KwaZulu-Natal also identify numerous potential areas for Public-Private Partnerships (PPPs), particularly in sectors such as infrastructure development, healthcare, education, tourism, and environmental management. These partnerships are seen as essential for leveraging private investment and expertise to enhance public services, improve infrastructure, and promote sustainable practices. By collaborating with private sector entities, the government aims to address funding challenges while simultaneously driving economic growth and improving the quality of life for residents.

Municipalities in KwaZulu-Natal play a crucial role in the local governance framework, directly impacting service delivery and economic development. They are responsible for providing essential services such as water, sanitation, and waste management, which are critical to the health and well-being of residents. Furthermore, local governments create an enabling environment for business growth, promote entrepreneurship, and attract investment to their communities. By effectively coordinating development initiatives and engaging with various stakeholders, municipalities contribute

significantly to the sustainable development of their regions, improving both economic outcomes and the quality of life for their citizens.

The Department has set out specific strategies in its APP to improve governance and transform the organization into a capable, ethical, and development-focused entity. These strategies encompass a range of initiatives, including the following:

- **Governance Improvement Strategies:** The Department will implement revised internal policies, such as the Risk Management Policy (2023), to better manage risks and safeguard departmental assets. Regular audits will also be conducted to ensure compliance with internal policies and regulations, supported by a comprehensive risk and audit framework.
- **Addressing Key Risks:** The Department is focused on improving audit processes through the implementation of an Audit Improvement Plan, which emphasizes enhanced monitoring, evaluation, quality assurance, and training. A Fraud Prevention Plan has also been established, incorporating mechanisms for reporting fraud and an Ethics Management Committee that meets quarterly to address ethical issues.
- **Enhancing Internal Management Systems:** The Department has developed a Risk Management Framework aligned with the King IV Report on Corporate Governance, which includes quarterly risk assessments and a dynamic risk register. Additionally, a performance management system will be implemented to track progress and ensure alignment with departmental objectives.
- **Governance Framework Assessment:** Regular assessments of the governance framework will be conducted through stakeholder engagement sessions to identify areas for improvement. The Department will also enhance its monitoring and evaluation systems to ensure greater transparency and accountability.
- **Training and Capacity-Building Initiatives:** The Department will introduce training programs focused on ethics, compliance, and governance best practices to enhance staff skills and competencies. Mentorship programs will also be developed to support the recruitment and development of women and underrepresented groups in senior management positions.
- **Measuring Governance Progress:** The Department will establish Key Performance Indicators (KPIs) to track progress in transforming governance practices and ensuring ethical conduct. Progress will be reported regularly to assess the effectiveness of the strategies implemented.
- **Mechanisms for Accountability and Transparency:** Clear reporting structures and oversight mechanisms will be put in place to ensure accountability in decision-making and asset management. Furthermore, public participation initiatives will be strengthened to engage local communities and promote transparency.
- **Continuous Governance Improvement:** The Department is committed to the ongoing review and improvement of its governance and internal management systems. This involves regular reviews to align with best practices and proactive risk management to optimize resource allocation and enhance service delivery.

These strategies reflect the Department's commitment to enhancing governance, ensuring ethical conduct, and fostering a culture of accountability and transparency within the organization. Through

these efforts, the Department aims to create a more efficient, ethical, and capable governance system that supports the broader objectives of sustainable development in KwaZulu-Natal.

8.1.11 Alignment with Addressing Gender-Based Violence and Femicide

Although there is no explicit mention of policies or actions directly targeting Gender-Based Violence and Femicide (GBV-F) in the document, EDTEA's strategic initiatives align with broader gender equality objectives that can contribute to mitigating the root causes of GBV-F. Key areas include:

1. Gender Equality and Women Empowerment Initiatives:

- EDTEA supports various Women Business Empowerment Initiatives, including skills training and support for women entrepreneurs.
- These initiatives aim to promote financial independence and empower women in business, which can reduce their vulnerability to gender-based violence by enhancing their socio-economic status and decision-making power.

2. Social Inclusion Policies:

- EDTEA implements policies that promote gender-responsive planning, budgeting, and auditing frameworks. These frameworks ensure that gender considerations are integrated into development processes.
- Additionally, women-focused economic development strategies aim to create a more inclusive environment, addressing systemic inequalities that can contribute to GBV-F by promoting the active participation of women in economic and social spheres.

3. Employment Opportunities for Women:

- As part of the Expanded Public Works Programme (EPWP)/Operation Vula, 60% of beneficiaries are women, contributing to women's economic empowerment and financial independence.
- Economic empowerment can serve as an indirect strategy for reducing vulnerability to GBV, as women gain more control over their lives and resources, which can enhance their ability to leave abusive situations and improve their overall well-being.

8.1.12 SWOT/PESTEL Analysis (Economic Growth and Employment Analysis)

	Political	Economically	Socially	Technological	Environmental	Legal
Strength	<ul style="list-style-type: none"> • Alignment with SDGs, AU Agenda 2063, and NDP. • Established democratic governance. • Strong public participation in governance. • Local governance initiatives. • Improved business confidence index in KZN (45 points). 	<ul style="list-style-type: none"> • Focus on inclusive economic growth and job creation. • GDP growth projected at 1.1% in 2024. • Collaboration with private sector for job protection • Infrastructure investment. • Major projects expected to generate over R50 billion in economic output. 	<ul style="list-style-type: none"> • Commitment to reducing poverty. • Improved access to basic services post-apartheid. • Increased awareness of social justice. • Youth population of 2.8 million (36% of total). • 55% of KZN population below poverty line. 	<ul style="list-style-type: none"> • Investment in science and technology. • Digital skills training for youth. • Expansion of technological infrastructure. • Development of digital platforms. • 25% of businesses in finance and manufacturing use advanced technologies. 	<ul style="list-style-type: none"> • Focus on green manufacturing and sustainability, with R22 billion in investments for SEZs. • Environmental management initiatives. • Focus on green energy with 3,000 MW gas power station. • Climate change action plans. 	<ul style="list-style-type: none"> • Frameworks for public service professionalization • Anti-corruption laws • Constitutional protections supporting democracy. • Regulatory frameworks enhancing business. • Complex regulations for energy projects.
Weakness	<ul style="list-style-type: none"> • Political instability in governance. • Corruption affecting trust. 	<ul style="list-style-type: none"> • Insufficient growth to meet job creation demands. • Declining investments in key sectors. 	<ul style="list-style-type: none"> • Persistent inequalities in education and healthcare. • Social polarization. 	<ul style="list-style-type: none"> • Underdeveloped technology in rural areas. • Limited digital access. 	<ul style="list-style-type: none"> • Environmental degradation issues. • Resource management challenges. 	<ul style="list-style-type: none"> • Bureaucratic inefficiencies. • Corruption affecting state capacity. • Complex legal regulations

	Political	Economically	Socially	Technological	Environmental	Legal
	<ul style="list-style-type: none"> Resistance to reform from certain political groups. Skills shortages in the tech sector (50,000 jobs unfilled). 	<ul style="list-style-type: none"> High unemployment rates. Dependence on specific industries for growth. 	<ul style="list-style-type: none"> Public discontent with service delivery. Growing ethnic tensions. 	<ul style="list-style-type: none"> Slow adoption of new technologies. Only 25% of businesses using AI or IoT. 	<ul style="list-style-type: none"> Vulnerability to climate change impacts. Aging water infrastructure affects 30% of agricultural productivity. 	hindering business operations.
Opportunities	<ul style="list-style-type: none"> Strengthening local governance systems. Engagement with international organizations. Collaboration with UN and AU initiatives. Advocacy for democratic reforms. Expanding broadband access to 80% by 2030. 	<ul style="list-style-type: none"> Potential for increased trade through AfCFTA. Growth in tourism and investment. Infrastructure projects boosting economic activity. Enhanced investment climate E-commerce growth expected at 18% annually. 	<ul style="list-style-type: none"> Initiatives promoting community engagement. Support for marginalized groups. Building social cohesion through targeted programmes Strengthening community networks Increased focus on tech skills training 	<ul style="list-style-type: none"> Innovations driving economic growth. E-commerce market surpassed R50 billion, with KZN contributing 18% (~R9 billion). Advancements in digital connectivity Investment in research and development Expansion of digital platforms and tech start-ups 	<ul style="list-style-type: none"> Renewable energy projects. Green economy initiatives. Opportunities for sustainable agricultural practices Initiatives for biodiversity conservation. 	<ul style="list-style-type: none"> Reforms to simplify regulatory compliance. Strengthening laws around transparency. Legal reforms to improve business regulations. Enhanced property rights protections.

	Political	Economically	Socially	Technological	Environmental	Legal
Threats	<ul style="list-style-type: none"> • Resistance to reform and policy change. • Political instability affecting governance. • Rising geopolitical tensions affecting trade • Lack of political will to implement change. 	<ul style="list-style-type: none"> • Economic downturns impacting job creation. • Global economic shifts • Inflation pressures: Global at 5.6%, SA at 4.6% • Reduced foreign investment. • Risk of prolonged higher interest rates (U.S. at 2.6%). 	<ul style="list-style-type: none"> • Urbanization leading to a 23.0% unemployment rate in eThekweni. • Public protests inequality. • Growing disenchantment with government • Threats to social stability from inequality. 	<ul style="list-style-type: none"> • Cybersecurity risks impacting technology adoption. • Rapid changes in tech outpacing regulation. • Dependency on foreign technologies • Rapid tech changes affecting job markets. 	<ul style="list-style-type: none"> • Climate change consequences threatening livelihoods. • Pollution and habitat loss. • Increased natural disasters due to climate change. • Natural disasters affecting agriculture and tourism. 	<ul style="list-style-type: none"> • Legal disputes over land and resource rights • Evolving regulatory challenges. • Potential legal challenges arising from regulatory compliance. • Issues with enforcement of laws.

8.1.12 Tourism Sector Analysis in South Africa and KwaZulu-Natal

(a) Current State of Tourism

The tourism sector in South Africa has been showing signs of recovery, but recent data highlights ongoing challenges in attracting both international and domestic visitors. In September 2024, a total of 2,331,485 travellers passed through the country's ports of entry and exit. This represents a decrease of 9.0% year-on-year, as the sector continues to recover from the effects of the global pandemic and other economic factors. Notably, the decline in international travel was more pronounced, with international arrivals seeing a 5.9% drop compared to August 2024 and a 9.1% drop compared to September 2023 (Stats SA, 2024).

Domestic tourism in South Africa showed a slight positive trend in September 2024, with South African residents making up 699,100 of the total traveller numbers, reflecting an 8.8% increase from August 2024. However, compared to September 2023, there was still a decrease of 8.8%, indicating that while local travel is recovering, it remains below pre-pandemic levels. Initiatives like Tourism Month have focused on encouraging South Africans to explore their own country, especially regions like the Northern Cape, which benefits from efforts like Astro-Tourism. KwaZulu-Natal mirrors this trend, with popular coastal attractions such as Durban's beaches and wildlife reserves, including uKhahlamba-Drakensberg Park and Hluhluwe-Imfolozi Park, continuing to draw significant numbers of visitors. While the exact tourism numbers for KZN aren't specified, the province's overall tourism patterns align with national trends, showing a mix of domestic and international visitors. A positive development for KZN is the re-opening of the Durban Hilton Hotel, which adds to the city's luxury accommodation offerings and enhances Durban's ability to attract national and international conferences. This is expected to be a major boost to the local economy, further establishing Durban as a key business tourism hub.

Tourism's contribution to South Africa's GDP is projected to rise to 8.8% by the end of 2024 and reach 10.4% by 2030. For context, the World Travel & Tourism Council (WTTC) estimated that Thailand's tourism contribution to GDP was 13.3%, Australia's was 8.1%, Brazil's was 7.8%, and Kenya's was 6.7% in 2023. KZN's tourism contribution to GDP, which dipped during the pandemic, rebounded to 8.2% in 2023. Expectations indicate a continued upward trend, with projections of 8.8% by the end of 2024 and 10.4% by 2030 (KZN Ezomnotho Report, 2024).

(b) Tourism Infrastructure

Globally, the tourism industry has rebounded strongly, following the lifting of pandemic-related travel restrictions. The World Tourism Organization (UNWTO) reports that global tourist arrivals surged, with international tourist numbers reaching pre-pandemic levels in 2023 and continuing to rise in 2024. In South Africa, the sector is also recovering with a steady increase in international and domestic arrivals. This is particularly evident in regions like KZN, where tourism has grown in both leisure and business segments. KZN's tourism appeal, particularly in areas like the Berg, Bush & Beach, has been buoyed by these global trends. The province's wide range of tourism offerings, including wildlife safaris, beach tourism, and cultural experiences, has made it a favored destination for international travelers. With

tourism growing globally, KZN is poised to capture more of this international demand, provided that its infrastructure keeps pace (ACSA, 2024).

As part of the effort to make KZN more accessible to global tourists, air connectivity has become a focal point of infrastructure development, particularly through King Shaka International Airport (KSIA).

- From January 2020 to October 2024, KSIA has experienced a steady increase in passenger numbers post-pandemic. Monthly figures in 2024 show an average of 408,000 passengers processed per month. While there was consistent growth from 2020, growth in 2024 has plateaued, indicating the need for expanded connectivity and new routes to meet demand.
- Durban Direct, a coalition of various tourism and business organizations, is working to drive air route development at KSIA. The aim is to attract more international airlines and enhance KZN's global connectivity. These efforts are particularly focused on increasing international routes to major markets in Europe, Asia, and the Middle East, which are currently underserved.

Significant investments are being made to enhance tourism infrastructure across KZN:

- **Upgrades to King Shaka International Airport:** Several initiatives are underway to improve KSIA's capacity and passenger experience. These include upgrades to terminal facilities, expansions of both domestic and international gates, and enhancements to cargo facilities to cater to the growing air cargo market. This airport serves as the key entry point for international visitors to KZN, making these upgrades critical to supporting future tourism demand.
- **Improvement of Road Infrastructure:** KwaZulu-Natal's road network is undergoing major upgrades, particularly those connecting key tourist destinations such as the Drakensberg, Midlands Meander, iSimangaliso Wetland Park, and Hluhluwe-Imfolozi Game Reserve. Roads to these regions are being widened, repaved, and better signposted to ensure easier and safer travel for tourists.
- **Rail Developments:** The province is also focusing on improving its rail infrastructure to offer tourists more scenic train routes, particularly for those traveling between Durban and Johannesburg. Enhancements to rail connectivity will provide additional options for tourists wishing to explore the region via more sustainable transport methods.

(c) Technological Trends (Digital Transformation, IT and Implications to Service Delivery)

In line with global trends, the tourism sector in KZN is embracing technology to enhance the visitor experience, improve operational efficiency, and support sustainability goals. Several technology-driven initiatives are being integrated into the region's tourism infrastructure:

- **Smart Tourism Solutions:** To cater to the needs of the modern traveller, KZN is implementing digital tourism solutions that allow visitors to access real-time information about transport, attractions, accommodations, and activities. These include mobile apps that provide GPS-based guides, booking systems for tours and accommodations, and information on weather, events, and local services. Additionally, interactive digital kiosks are being placed in key tourist areas for immediate assistance.

- **Online Travel and Booking Platforms:** KZN is focusing on integrating online booking platforms for accommodations, transportation, and tours. This allows tourists to plan their trips easily, while businesses benefit from better demand forecasting. Furthermore, online ticketing systems for local attractions and experiences help reduce waiting times and improve the visitor experience.
- **Data-Driven Visitor Management:** As KZN's tourism sector grows, the province is adopting data analytics to manage tourist flow and prevent overcrowding, especially in popular destinations like uShaka Marine World and iSimangaliso Wetland Park. By collecting and analyzing data on visitor preferences, seasonality, and behavior, the region can optimize resources and tailor services to meet the needs of tourists in real-time.
- **Sustainability and Eco-Tourism Tech:** In line with the growing global demand for eco-friendly travel, KZN is using technology to reduce its carbon footprint and promote sustainable tourism. This includes implementing green building technologies in new tourism developments, such as energy-efficient lighting, water-saving devices, and eco-friendly waste management systems. Additionally, electric vehicles (EVs) and sustainable transport options, such as e-bikes, are being introduced for tourists to explore the province in a more environmentally friendly manner.
- **Virtual Reality (VR) and Augmented Reality (AR) Experiences:** KZN is also experimenting with VR and AR technologies to offer virtual tourism experiences. This can attract tourists who are unable to travel to the region physically or enhance the experiences of those who visit. Virtual tours of attractions like battlefields, historical sites, and cultural heritage sites can enrich the visitor experience and act as a supplementary offering.

Despite these advancements, challenges remain in ensuring that tourism infrastructure can meet rising demand:

- **High Costs and Funding Gaps:** Many infrastructure projects are expensive, and there are gaps in the financing of key developments. Public-private partnerships are vital for funding these projects but delays in securing investment can hinder progress.
- **Seasonality of Tourism:** KZN's tourism is subject to seasonal fluctuations, with peak seasons during school holidays, public holidays, and special events. Tourism infrastructure needs to be flexible enough to handle high volumes during peak times while ensuring that off-season traffic is also catered for efficiently.
- **Uneven Infrastructure Distribution:** While Durban and coastal cities benefit from infrastructure improvements, more rural and remote tourism destinations often face challenges in accessing these upgrades. Ensuring that infrastructure investments are spread across the region will help to ensure that all of KZN's tourism offerings are accessible.

(d) Strategic Tourism Marketing and Investment

To complement infrastructure improvements, KZN is also working on enhancing its **tourism marketing** efforts. There is an increasing focus on promoting the region's unique offerings to international markets.

- **Marketing Campaigns:** KZN is actively marketing itself as a year-round destination, with campaigns targeting Europe, Asia, and North America. Additionally, efforts to promote domestic

tourism within South Africa are continuing, with regional marketing initiatives highlighting KZN's beach resorts, wildlife, and cultural experiences.

- **Investment in Luxury and Niche Tourism:** There is also a focus on attracting higher-end tourists, such as those interested in luxury safaris, wellness tourism, and cultural heritage tours. Investment in boutique hotels, lodges, and specialized tour companies is key to catering to these high-spending tourists.

(e) Community-based Tourism

Community-based tourism initiatives are integral to fostering inclusive growth in KZN's tourism sector. By engaging local communities through programmes like the Tourism Graduate Development Programme, Tourism Educators Development Programme, and Women in Tourism, these initiatives empower local populations while promoting township tourism and preserving heritage sites. The focus on GEYODI (Gender, Youth, and Disability Inclusion) ensures that historically disadvantaged individuals, women, youth, and people with disabilities are actively involved in tourism development. Key interventions such as service excellence and quality assurance workshops, tourism safety and clean-up campaigns, and compliance workshops further enhance community involvement. The establishment of the Tourism Monitors (Tourism Police) also plays a crucial role in ensuring safety and security for both tourists and locals. By prioritizing these initiatives, KZN can cultivate a more equitable tourism landscape that benefits all stakeholders, while enriching the overall visitor experience. This comprehensive approach not only fosters economic opportunities but also builds community pride and ownership, ensuring long-term sustainability and resilience within the tourism sector.

(f) Emerging Priorities within Tourism Sector

In the next five years, the Department of Economic Development, Tourism, and Environmental Affairs (DEDTEA) in KwaZulu-Natal will focus on a comprehensive strategy to address challenges and capitalize on opportunities within the tourism sector. Key priorities include improving intergovernmental coordination to streamline regulatory processes, enhancing tourism infrastructure through facility upgrades and maintenance, and promoting inclusivity through the GEYODI framework to increase participation from historically disadvantaged groups. The department will also prioritize digital transformation by supporting the adoption of advanced technologies like GIS and data analytics for decision-making and marketing. Sustainable tourism practices will be fostered through partnerships with conservation organizations and the promotion of eco-tourism. Additionally, efforts will be made to increase air access through Durban Direct and partnerships with airlines to drive tourism growth, leveraging the capacity of King Shaka International Airport. By focusing on these initiatives, KZN aims to stimulate economic growth, enhance visitor experiences, and position itself as a premier global destination.

8.1.13 SWOT/PESTEL Analysis (Tourism Analysis)

	Political	Economically	Socially	Technological	Environmental	Legal
Strength	<ul style="list-style-type: none"> • Strong legislative frameworks support tourism growth. • Implementation of the Tourism Act (2014). • Increased budget allocations (up 15% in 2023). • Collaboration among government tiers improving (15% increase in coordinated efforts). • Local government initiatives promoting community tourism. 	<ul style="list-style-type: none"> • Contribution to GDP: 3.2% in 2021; projected 5% by 2025. • 2.4 million international tourists in Q1 2024 (15.4% increase). • Revenue projected to reach R100 billion by 2025. • Domestic tourism resurgence with 7 million arrivals in 2022. • Tourism sector recovery projected at 10% annual growth. 	<ul style="list-style-type: none"> • Over 7 million domestic arrivals in 2022, a peak since 2013. • 30% of HDIs employed in tourism; need for improvement. • GEYODI initiatives aim for 20% increase in women and youth participation by 2025. • Local community tourism projects growing by 10%. 	<ul style="list-style-type: none"> • Digital marketing strategies increased tourist engagement by 40%. • 50% of graduates report skills gap in tourism education. • Adoption of GIS technology for planning and management. • E-visa introduction expected to add 240,000 visitors annually. 	<ul style="list-style-type: none"> • Eco-tourism sector grew by 12% in 2023. • Universal accessibility initiatives projected to increase tourism by 5%. • 30% of tourism facilities affected by load shedding. • Coastal tourism threatened by rising sea levels impacting 60% of businesses by 2030. • 20% increase in conservation tourism participation since 2022. 	<ul style="list-style-type: none"> • 40% of businesses face compliance issues due to outdated laws. • Average compliance cost of R200,000 for small businesses. • Regular legislative reviews occurring bi-annually. • Establishment of the KwaZulu-Natal Tourism Act to enhance support.

	Political	Economically	Socially	Technological	Environmental	Legal
Weakness	<ul style="list-style-type: none"> • Bureaucratic inefficiencies delay project implementation. • Poor joint planning between governmental levels. • Inadequate infrastructure maintenance leading to visitor dissatisfaction. • Limited local government capacity due to budget constraints (20% cuts). 	<ul style="list-style-type: none"> • Tourism infrastructure decay affecting visitor experiences. • 20% budget cuts in key tourism development areas. • High unemployment rates in tourism at 35% post-COVID. • Dependency on seasonal tourism; fluctuations in visitor numbers. • Revenue decline from R130 billion in 2019 to R52 billion in 2021. 	<ul style="list-style-type: none"> • Limited inclusivity: only 30% of tourism jobs held by HDIs. • Ongoing challenges in transforming the sector for women and youth. • Lack of educational alignment with industry needs (50% skill gap). • 25% decrease in international visitor confidence due to unrest. • Cultural tourism underrepresented despite interest. 	<ul style="list-style-type: none"> • Slow adoption of digital tools among smaller operators (20% still offline). • Cybersecurity risks as digital usage increases. • Limited investment in tech training for tourism workforce. • Reliance on outdated technology in many operations. • Only 30% of businesses use data analytics for decision-making. 	<ul style="list-style-type: none"> • Environmental degradation affecting key tourist sites. • 40% of coastal areas impacted by erosion. • Water supply issues in major tourist areas affect visitor experience. • Increasing temperatures threaten biodiversity in nature reserves. • Wildlife conservation efforts underfunded, affecting attractions. 	<ul style="list-style-type: none"> • Outdated tourism regulations leading to compliance delays (40% of businesses). • Inconsistent enforcement of tourism-related laws. • Limited legal support for small businesses. • Need for clearer regulations around eco-tourism practices. • Slow legal reforms affecting business agility.
Opportunities	<ul style="list-style-type: none"> • Increased community 	<ul style="list-style-type: none"> • Gastronomy tourism expected to 	<ul style="list-style-type: none"> • Focus on cultural heritage and 	<ul style="list-style-type: none"> • Digital platforms for marketing tourism 	<ul style="list-style-type: none"> • Green tourism initiatives projected 	<ul style="list-style-type: none"> • Ongoing reforms could lead to a more

	Political	Economically	Socially	Technological	Environmental	Legal
	<p>engagement in tourism initiatives (10% growth).</p> <ul style="list-style-type: none"> • Collaboration with NGOs for sustainable tourism practices. • Potential for heritage tourism projects to attract visitors. • National campaigns promoting KZN as a key destination. 	<p>grow by 15% annually.</p> <ul style="list-style-type: none"> • Rise in adventure tourism; estimated at 20% growth in the next 3 years. • Projected increase in business tourism by 10% due to improved facilities. • Domestic travel incentives expected to boost local tourism by 25%. 	<p>township tourism increasing visitor interest.</p> <ul style="list-style-type: none"> • Expansion of community-based tourism projects to attract local visitors. • 20% increase in programmes supporting women entrepreneurs in tourism. 	<p>set to increase reach by 30%.</p> <ul style="list-style-type: none"> • Integration of virtual reality experiences in tourist offerings. • Investment in mobile apps to enhance visitor experiences. • Growth in the use of big data to tailor tourism offerings. 	<p>to attract 5% more tourists annually.</p> <ul style="list-style-type: none"> • 30% of tourism businesses committed to sustainable practices by 2025. • Eco-certification programmes gaining traction among local operators. 	<p>favourable business environment.</p> <ul style="list-style-type: none"> • Advocacy for new regulations to streamline tourism processes. • Potential for improved compliance through updated frameworks. • Support for small businesses in navigating legal requirements.
Threats	<ul style="list-style-type: none"> • Political instability may deter potential tourists. • Social unrest could disrupt tourism activities. 	<ul style="list-style-type: none"> • Economic downturns affecting disposable income for travel. • Residual impacts from COVID-19 	<ul style="list-style-type: none"> • Decreased visitor confidence due to social instability. • Potential for negative media coverage affecting perceptions. 	<ul style="list-style-type: none"> • Cybersecurity threats may jeopardize tourist data and transactions. • Rapid technological changes outpacing 	<ul style="list-style-type: none"> • Climate change impacts threatening coastal and natural attractions. • Increased weather volatility affecting tourism seasonality. 	<ul style="list-style-type: none"> • Ongoing compliance challenges leading to operational delays. • Complexity of navigating multi-

	Political	Economically	Socially	Technological	Environmental	Legal
	<ul style="list-style-type: none"> • Limited government support for tourism recovery efforts. • Changes in international travel policies affecting arrivals. • Growing competition from other regions within South Africa. 	<ul style="list-style-type: none"> • leading to ongoing cancellations. • Natural disasters (e.g., floods) affecting infrastructure and safety. • High inflation rates reducing tourism spending power. 	<ul style="list-style-type: none"> • Shifts in traveller preferences toward safer destinations. • Rise in crime rates in tourist areas impacting safety perceptions. • Local community resistance to tourism developments. 	<ul style="list-style-type: none"> • industry adaptations. • High competition in the digital space affecting visibility. • Limited funding for technological upgrades for small businesses. • Failure to adapt to digital trends could lead to reduced market share. 	<ul style="list-style-type: none"> • Wildlife conservation pressures impacting attractions. • Potential for stricter environmental regulations affecting operations. • Loss of biodiversity could diminish tourism appeal. 	<ul style="list-style-type: none"> • level regulatory environments. • Risks of legal actions against tourism businesses for non-compliance.

8.1.14 Climate Change and Environmental Sustainability

The KZN Climate Change Strategy has projected climate change hazards in KZN as (1) increasing temperatures, leading to, among other things, poor agricultural yields, human health risks, heat strokes which may have effects on outdoor activities, indoor discomforts, etc. (2) Increasing rainfall variability leading to, among other things, excessive rains, crop damages, soil erosion, waterlogging of soils, mud sliding; (3) Increasing periods of droughts, leading to, among other things, land degradation, crop damages, food insecurity, hunger, etc. (4) Increasing storms and flood events leading to, among other things, localised flooding, infrastructure damages, loss of life. (5) Sea level rises, leading to, among other things, threat to coastal communities, salinization of freshwater bodies, damage to properties, loss of beaches, loss of lives, etc.

These lead to climate shifts which threaten key economic sectors, environmental stability, and infrastructure resilience. South Africa emitted 478.6 million metric tons of CO₂ in 2019, ranking 11th globally, while methane emissions reached 45.4 million metric tons, placing it 37th worldwide. The 2020 provincial greenhouse gas emissions inventory highlights the energy sector, particularly diesel-powered transportation, as the leading contributor to emissions. KZN's vulnerability to climate change is further aggravated by its dependence on energy-intensive industries and limited adaptation infrastructure (World Economics, 2021).

The province's coastal regions, including Durban, Richards Bay, and Port Shepstone, are experiencing accelerated coastal erosion due to rising sea levels and intensified storm surges. These changes threaten infrastructure, tourism, and fisheries, vital components of KZN's economy (Smith et al., 2013; Green et al., 2013). Inland, areas such as uThukela and uMkhanyakude face severe water shortages, negatively impacting agricultural productivity, particularly in sugarcane and maize farming (Mokonyane, 2015; Mavhura & Mearns, 2020). Recurrent droughts and declining rainfall are also worsening food security and farmer livelihoods, leading to economic instability in rural communities. Additionally, extreme weather events such as flooding, and heatwaves are straining public infrastructure, damaging roads, water supply systems, and housing, further increasing maintenance and repair costs (Department of Agriculture, Forestry and Fisheries, 2023; African Climate Reality Project, 2020).

KZN's ecosystems, including wetlands, forests, and coastal zones, serve as natural buffers against climate-related disasters but are under growing pressure from land degradation, deforestation, and unsustainable development practices (Climate Champions, 2023). The iSimangaliso Wetland Park, a UNESCO World Heritage Site, plays a crucial role in flood mitigation and biodiversity conservation but remains threatened by habitat destruction and pollution (Climate Champions, 2023).

To mitigate the effects of flooding on communities and enhancing water security and ecosystems-based adaptation, in some municipalities, the Transformative River Management Programme (TRMP) has been implemented to restore degraded river systems, reduce flood risks, and improve water availability. Additionally, the KwaZulu-Natal Climate Change Strategy emphasizes the importance of

strengthening early warning systems, community resilience, and climate adaptation interventions at the district level.

(a) Economic Impacts

The agricultural sector is highly vulnerable to climate change, with prolonged droughts, shifting rainfall patterns, and extreme heat reducing crop yields and threatening food security. Farmers face financial instability as declining productivity affects incomes and employment opportunities (South African Government, 2023). Additionally, the tourism sector, particularly eco-tourism and coastal attractions, is under threat due to rising sea levels, damage to biodiversity, and increasingly unpredictable weather patterns, which reduce tourist arrivals and revenue (South African Tourism, 2023). Infrastructure damage is another growing concern, with floods, storms, and extreme temperatures leading to costly repairs of roads, bridges, and buildings (South African National Roads Agency, 2023). This also places strain on water treatment facilities, increasing the risk of contamination and service disruptions (South African Water Works, 2023). Furthermore, the public health sector is impacted by rising cases of heat-related illnesses and vector-borne diseases such as malaria and dengue fever, leading to increased healthcare costs and pressure on medical facilities.

(b) Environmental Impacts

Climate change is significantly altering KwaZulu-Natal's ecosystems. Coastal erosion continues to reshape shorelines, destroying habitats and displacing coastal communities (South African Weather Service, 2022). Biodiversity loss is accelerating as species struggle to adapt to changing climate conditions, leading to shifts in population dynamics and ecosystem balance (United Nations Sustainable Development Group, 2023). Water scarcity is an ongoing challenge, as reduced rainfall and higher evaporation rates deplete water sources, affecting both human consumption and agricultural irrigation (World Weather Attribution, 2022). Additionally, changes in vegetation patterns are altering forest composition, impacting wildlife and local livelihoods dependent on natural resources (Archer et al., 2014). Addressing these challenges requires integrated conservation strategies, sustainable resource management, and community engagement to mitigate the adverse effects of climate change on KZN's ecosystems.

(c) Infrastructure Impacts

KZN's transport and communication networks are increasingly at risk from climate-induced disasters. Frequent and intense flooding damages roads, bridges, and power lines, disrupting economic activities and essential services (South African Weather Service, 2022). Coastal infrastructure, such as seawalls and harbour facilities, faces heightened vulnerability from storm surges and erosion (Associated Press, 2024). Additionally, water treatment plants are at risk of contamination from floodwaters, threatening clean water access for urban and rural populations (South African Weather Service, 2022). Energy security is also compromised, with extreme weather events causing power outages and disruptions to electricity grids, affecting businesses and households alike (Associated Press, 2024).

(d) Key Challenges

Economic Vulnerabilities:

Economic vulnerabilities in KZN are intricately linked to the province's dependence on sectors such as agriculture, tourism, and industries that rely heavily on natural resources. These vulnerabilities are exacerbated by climate change, which disrupts productivity and limits economic growth. The key economic vulnerabilities in KZN are as follows:

- **Agricultural Sector Impact:** KZN's agricultural sector is highly sensitive to changes in climate. Prolonged droughts, irregular rainfall patterns, and extreme temperatures reduce crop yields, particularly in sectors like sugarcane farming and maize production. As water availability decreases, agricultural productivity becomes more unpredictable, leading to financial instability for farmers and agricultural workers. This threatens food security and exacerbates rural poverty. Farmers in areas like uThukela and uMkhanyakude are facing severe water shortages, impacting their ability to maintain consistent production levels.
- **Tourism Vulnerability:** KZN is known for its eco-tourism, coastal attractions, and biodiversity (such as the iSimangaliso Wetland Park). Rising sea levels, increased storm surges, and coastal erosion, particularly in areas like Durban and Richards Bay, directly threaten tourism infrastructure, including beachfront resorts and marine-based activities. As the physical landscape changes, tourism appeal is reduced, leading to declining revenues in this sector. Additionally, changing weather patterns (e.g., floods and extreme temperatures) further contribute to unpredictable tourism flows, reducing tourist arrivals.
- **Energy-Intensive Industries:** KZN has industries that are energy-intensive, such as manufacturing and heavy industries, which contribute significantly to carbon emissions. As the province's reliance on energy increases, particularly from diesel-powered transportation and industrial processes, energy supply disruptions (caused by climate-related events such as storms or droughts) can damage economic activity. Moreover, the ongoing energy crisis in South Africa further aggravates economic instability by limiting production and increasing operational costs for businesses.
- **Cost of Climate-Related Damage:** The damage caused by extreme weather events—such as the 2022 floods—puts additional pressure on the provincial economy. The immediate costs of disaster recovery, alongside the long-term economic slowdown due to infrastructure damage and loss of life, contribute to a weakening economy. KZN's economic recovery efforts from disasters are hampered by a lack of resources and inadequate infrastructure to mitigate these events effectively.

Infrastructure Resilience:

KZN's infrastructure is increasingly vulnerable to climate-induced disasters, putting the province at risk of severe disruption. This includes physical infrastructure such as transportation systems, water supply, energy grids, and sanitation facilities. The lack of resilience in these systems has a range of consequences:

- **Transport and Communication Networks:** Roads, bridges, and railways are frequently damaged by flooding and storms, disrupting not only daily life but also the flow of goods and

services across the region. The frequent damage to infrastructure increases maintenance costs and reduces the reliability of transport systems, which is critical for economic activities.

- **Energy Infrastructure:** Extreme weather events, such as heatwaves, storms, and flooding, contribute to energy supply disruptions, leading to power outages and load-shedding, particularly during peak demand periods. These outages hinder business operations and are costly for consumers. Moreover, floods and storms can directly damage energy infrastructure like power lines and substations, further affecting service delivery and economic performance.
- **Water and Sanitation Systems:** Flooding events pose a significant threat to water treatment facilities and sewage infrastructure. Contamination of water sources, such as rivers, can lead to public health crises and disrupt the provision of safe drinking water. Water supply systems are also vulnerable to breakdowns, especially in informal settlements and rural areas where infrastructure is already inadequate. The aging infrastructure in urban centres adds to the challenge of ensuring clean water and proper sanitation.
- **Coastal Infrastructure:** The coastal regions of KZN, especially cities like Durban and Port Shepstone, face rising sea levels and increasing storm surges. Coastal infrastructure such as seawalls, harbour facilities, and tourism resorts are at significant risk. If this infrastructure continues to erode without adequate protection, it could lead to irreversible losses for the tourism sector, trade, and coastal communities.

Social Vulnerabilities:

Social vulnerabilities are largely driven by inequality, limited access to resources, and weak adaptive capacity, which compound the impacts of climate change on marginalized communities. The most vulnerable groups in KZN include informal settlements, rural communities, and low-income populations.

- **Poverty and Inequality:** Vulnerable communities, particularly in rural and informal settlements, lack the resources to effectively adapt to the impacts of climate change. Limited access to healthcare, education, and employment opportunities leaves them exposed to climate-induced disasters. Women, children, and the elderly in these areas are often the most affected by climate events, as they may have less mobility and fewer resources to recover.
- **Access to Climate Adaptation Resources:** Access to adaptation infrastructure, such as climate-resilient housing, rainwater harvesting technologies, and water-efficient irrigation systems, is limited in poor areas. Consequently, informal settlements are highly vulnerable to floods and storms, with inadequate shelter and infrastructure to withstand extreme weather events. This exacerbates the challenges these communities face in the aftermath of climate events, leading to prolonged recovery times and further entrenching poverty.
- **Health Vulnerabilities:** The rise in heat-related illnesses and vector-borne diseases (e.g., malaria, dengue) due to warmer temperatures and more intense rainfall is placing additional pressure on already overstretched health services. Lower-income households, which may have limited access to health services, are more likely to suffer the adverse health effects of climate change. Additionally, the destruction of health infrastructure, such as clinics and hospitals, by extreme weather events further hinders public health efforts.

Gaps in Disaster Management Capacity:

KZN's disaster management systems have significant gaps in terms of preparedness, coordination, and capacity to deal with extreme weather events. This results in slower response times and inadequate support for affected communities. Key issues include:

- **Coordination Challenges:** The lack of coordination between local governments, municipalities, provincial authorities, and traditional leaders often leads to fragmented disaster responses. This disjointed approach can result in delays in the distribution of aid and uneven support for vulnerable communities.
- **Limited Resources:** Insufficient funding and resources for disaster preparedness, response, and recovery undermine the capacity of local authorities to act quickly during disasters. While early warning systems exist, they often lack adequate coverage and fail to reach the most vulnerable populations, such as those in informal settlements or rural areas.
- **Lack of Infrastructure Resilience:** As mentioned earlier, much of KZN's infrastructure is vulnerable to climate events. Poor maintenance of critical infrastructure, combined with the rapid pace of urbanization, means that much of the province's infrastructure is not equipped to handle extreme weather events. This exacerbates the difficulty of disaster response efforts.
- **Weak Public Awareness:** A significant gap in disaster management is the low level of awareness among the public, especially in rural and informal areas. Many people are unaware of available emergency services, evacuation routes, and preparedness strategies. Community-based disaster risk management (CBDRM) approaches have been underdeveloped, and more investment in building local capacity is needed.

(e) Disaster Management and Resilience Framework

Disaster Risk Reduction initiatives at the provincial level in South Africa, particularly in KwaZulu-Natal, play a critical role in mitigating vulnerabilities and enhancing resilience to increasingly frequent natural hazards such as floods, droughts, wildfires, and cyclones, all exacerbated by climate change. KZN's DRR framework is structured around the Provincial Disaster Management Plan, which aligns with South Africa's National Disaster Management Framework. This comprehensive plan emphasizes a proactive approach to disaster prevention, preparedness, response, and recovery, involving a range of key stakeholders, including local municipalities and community-based organizations. One of the central components of this strategy is the enhancement of early warning systems, led by the South African Weather Service (SAWS), which provide timely alerts on extreme weather events, enabling both authorities and communities to prepare and respond more effectively. Moreover, Community-Based Disaster Risk Management (CBDRM) in KZN empowers local communities in disaster-prone areas by educating them on risk reduction and emergency preparedness, strengthening local resilience and capacity for rapid response.

While these efforts are crucial for reducing disaster risks, KZN's DRR initiatives also face several challenges. Limited funding, coordination gaps between different stakeholders, and insufficient data for comprehensive risk assessments continue to hinder the full potential of DRR programmes. Nevertheless, there are significant opportunities to overcome these challenges through strengthened

public-private partnerships, regional cooperation, and greater support for community-driven initiatives. Additionally, DRR is integrated into broader provincial development plans across various sectors, such as tourism, agriculture, and infrastructure. In tourism, vital to KZN's economy, the province is improving coastal defences and evacuation plans to safeguard tourists during emergencies. In agriculture, the focus is on promoting climate-resilient farming practices and providing farmers with early warning systems to minimize the impacts of extreme weather events. In the infrastructure sector, KZN is prioritizing the construction of flood-resistant systems and retrofitting essential infrastructure to withstand future disasters. Despite the obstacles, enhancing coordination, improving data collection and risk assessments, and better resource allocation present valuable opportunities to build resilience and strengthen disaster management across the province.

(f) Policy and Legal Framework:

The disaster management policies, regulations, and institutional frameworks in KwaZulu-Natal align broadly with national policies, particularly the National Disaster Management Act (2002) and the National Disaster Management Framework. The province has its own KZN Disaster Management Act (2002) and established Provincial Disaster Management Centre (PDMC), which oversees the coordination of disaster risk reduction, preparedness, and response efforts. KZN's disaster management framework is consistent with national objectives, focusing on risk identification, public education, and multi-sectoral collaboration. However, there are challenges in the implementation and enforcement of these policies, as local municipalities often lack the necessary resources, trained personnel, and infrastructure to effectively manage disaster risks and responses. Coordination between provincial and local governments can also be inefficient, leading to delays in disaster response and recovery efforts (KwaZulu-Natal Disaster Management Plan, 2022).

Despite the alignment with national frameworks, several areas in KZN require significant improvement. Legislative updates are needed to address modern risks, especially with regard to climate change impacts. Building codes and zoning laws should be strengthened to enforce more resilient infrastructure and prevent development in flood-prone or disaster-vulnerable areas. There is also a need for improved disaster preparedness training and the allocation of resources to local governments to enhance their ability to respond to crises effectively. Early warning systems should be expanded, especially in rural or underserved areas, to ensure timely alerts and allow for better community preparedness. Furthermore, intergovernmental coordination needs to be streamlined to ensure that resources and information flow quickly and efficiently during disasters, bridging gaps between national, provincial, and municipal levels. These improvements will be essential for ensuring a more comprehensive and responsive disaster management system in KZN (National Disaster Management Framework, 2023).

(g) Ongoing Disaster Management and Resilience Programmes

The Department is actively leading several ongoing disaster management and resilience programmes, aimed at addressing the province's environmental challenges and enhancing long-term sustainability. As part of air quality management, the department is repairing and modernizing environmental monitoring stations, integrating advanced technologies such as real-time data analytics and satellite

monitoring to enable more accurate assessments. In waste management, EDTEA is supporting municipalities to enforce waste management regulations, expand recycling initiatives, and promote a circular economy. The department is also taking steps to combat illegal dumping through awareness campaigns, infrastructure improvements, and collaboration with municipalities to enhance landfill management and waste sampling practices. Furthermore, EDTEA is deeply invested in improving climate resilience by leading the KwaZulu-Natal Climate Change Strategy, promoting nature-based solutions like the Transformative River Management Programme, and installing rainwater harvesting technology to ensure household water security. Ecological restoration efforts are being fast-tracked to support climate adaptation.

EDTEA's interventions also address key environmental governance and resilience efforts. Through the Environmental Governance, Planning, and Climate Change initiatives, the department is ensuring that sustainability is embedded in planning and development by developing and implementing Environmental Management Frameworks (EMFs) and Strategic Environmental Assessments (SEAs). Education and awareness campaigns are actively being conducted to inform communities about climate risks and strategies to mitigate them. In compliance and enforcement, the department is conducting inspections, issuing administrative enforcement notices, and ensuring adherence to environmental regulations, particularly in ecologically sensitive areas. KZN EDTEA is also focused on coastal and biodiversity management, managing coastal ecosystems, combating invasive species through the Expanded Public Works Programme (EPWP), and implementing biodiversity conservation projects. Additionally, the Department is strengthening local communities through capacity-building workshops, training, and public participation in decision-making processes. In terms of work opportunities, KZN EDTEA has set a target of creating 7,725 work opportunities in 2025/26, particularly for marginalized groups, which will help foster both employment and long-term environmental stewardship.

8.1.15. EDTEA's Environmental Management Programmes: Challenges and Strategic Interventions

The Department in KwaZulu-Natal plays a vital role in promoting sustainable environmental practices within the province. The environmental management sub-programmes under EDTEA aim to address diverse and complex challenges, including air quality management, waste management, environmental impact assessments, marine and coastal resource protection, and community empowerment. Each sub-programme faces unique issues, often exacerbated by resource constraints, outdated infrastructure, and socio-economic pressures.

The table below outlines the key problem statements, emerging issues, and proposed interventions for each sub-programme.

Sub-Programme	Problem Statement	Emerging Issues	Proposed Interventions/Improvements
1. Air Quality and Atmosphere	Local governments lack resources for air quality management, and the provincial AQM office faces staffing and resource shortages. Air quality data is unreliable, with non-functional monitoring stations.	Need to modernize air quality monitoring systems with real-time analytics and satellite monitoring. Address the intersection of air pollution and climate change. Public health impacts and policy updates are needed.	Implement advanced monitoring technologies and integrate climate change strategies. Update policies to reflect current scientific knowledge and ensure equity in air quality interventions.
2. Waste Management	Waste services in informal urban areas, rural areas, and informal settlements are severely lacking. There is a preference for disposal rather than recycling, and waste data is unreliable.	Rising illegal dumping, lack of a circular economy, and unreliable waste statistics. The need to create jobs while reducing pollution.	Develop and expand waste management infrastructure, promote recycling programmes, and improve data collection on waste statistics. Engage communities and municipalities in better waste management practices.
3. Environmental Impact Management	Sustainable development is challenged by historical injustices, climate change, and economic pressures. COVID-19 and unrest have worsened unemployment and environmental compliance issues.	Integrating climate adaptation into Environmental Impact Assessments (EIAs), addressing capacity gaps, and balancing economic recovery with environmental protection post-COVID-19.	Simplify regulatory frameworks, enhance public participation, and focus on climate adaptation strategies. Provide support for disadvantaged developers and improve environmental compliance.

Sub-Programme	Problem Statement	Emerging Issues	Proposed Interventions/Improvements
4. Marine and Coastal Resources	The KZN coast faces threats from invasive alien species and poor coastal management. Unique ecosystems require careful planning for sustainability.	Invasive species, inadequate human resources, and poorly resourced municipalities hinder effective management. Climate change, pollution, and unsustainable development continue to threaten coastal ecosystems.	Strengthen coastal management resources, improve implementation of the Integrated Coastal Management (ICM) Act, and address environmental threats such as climate change and pollution.
5. Environmental Empowerment	Awareness and knowledge of environmental legislation (e.g., NEMA) remain low, especially in rural areas, leading to insufficient understanding of rights and responsibilities.	Densification without adequate planning destroys ecosystem services, increasing the impact of environmental disasters. Waste production rises without corresponding waste management services.	Improve awareness and education programmes, particularly targeting traditional authorities. Focus on sustainable urban planning and empower communities to engage in environmental decision-making.
6. Ecological Degradation	Deficient efforts in the management of ecological resources from uninformed development, poor agricultural practices, overharvesting, poor veld management leading to invasive alien species and erosion; loss of	Invasive species, poor agricultural practices, and erosion are degrading ecosystems, contributing to loss of biodiversity and ecological infrastructure.	Implement invasive species programs, land care programmes, and ecological infrastructure rehabilitation and protection. Focus on biodiversity and wetland offsetting and expand ecosystem rehabilitation efforts. Strengthen capacity and empowerment programmes and intensify enforcement of environmental regulations.

Sub-Programme	Problem Statement	Emerging Issues	Proposed Interventions/Improvements
	ecological infrastructure.		
7. Poor Landfill Management	Lack of proper infrastructure and machines, limited sampling, and inadequate daily compacting and cover.	Insufficient funding for regular sampling and proper landfill site management, leading to inefficient waste management practices.	Engage municipalities for funding and improve waste management through better licensing and compliance inspections. Review existing waste licenses to align with current legislation and expand compliance enforcement.
8. Coastal Pollution	Sewage spills and related infrastructure failure, including the lack of maintenance of pump stations/WWTW plants due to inadequate funding.	Ageing infrastructure and inadequate funding hinder the proper maintenance of sewage and water treatment facilities, causing environmental degradation.	Bilateral cooperation with the Department of Human Settlements, Water and Sanitation and coastal municipalities to promote intergovernmental support. Ensure capital injection for upgrading pump stations and WWTW plants to cope with population growth. Strengthen cooperative compliance enforcement.
9. Unauthorised Development in Coastal Zones	Amakhosi and iZinduna have allocated land parcels on sensitive frontal dune vegetation and in coastal forests.	Unauthorised development in coastal zones threatens ecosystems, particularly in areas with fragile coastal forests and dune vegetation.	Awareness campaigns and dissemination of information on the dangers of developing in sensitive and vulnerable sites. Follow-up with compliance and enforcement actions to protect coastal ecosystems.
10. Plastic Waste in River Courses	Failed waste recycling initiatives and absence of specific legislation on plastic waste.	Plastic waste continues to accumulate in river courses, causing harm to aquatic ecosystems and wildlife.	Conduct integrated awareness campaigns and coastal clean-up efforts targeting rural communities, schools, NPOs, NGOs, and municipalities to reduce plastic pollution.

Sub-Programme	Problem Statement	Emerging Issues	Proposed Interventions/Improvements
11. Climate Change Impacts	Climate change is a global phenomenon caused by anthropogenic activities such as fossil fuel burning, deforestation, and industrial processes.	Rising temperatures, extreme weather events, and sea-level rise pose threats to the people of KwaZulu-Natal.	Increase awareness of climate change, roll out district climate change interventions, and strengthen weather warning systems. Promote climate adaptation measures such as the Transformative River Management Programme and install rainwater harvesting technology at the household level. Accelerate ecological restoration, promote clean energy.

Alignment with the Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) aims to create employment opportunities while addressing critical socio-economic challenges. EDTEA's initiatives are closely aligned with EPWP's objectives in several key areas:

1. Job Creation through Environmental Public Employment Programmes:

- EDTEA supports the creation of work opportunities in the environmental sector, directly contributing to EPWP's target of creating 7,725 work opportunities in 2025/26.
- These jobs are focused on environmental conservation efforts, such as land rehabilitation, alien species removal, and eco-tourism infrastructure development, aligning with EDTEA's mission to promote sustainable economic growth through green jobs.

2. Skills Development:

- A critical component of EPWP is the training and skills development of workers. EDTEA plays an active role in supporting the Invasive Alien Species Programme (IASP), which equips workers with vital technical and environmental management skills.
- This training helps workers gain expertise that can enhance their employability, contributing to the department's broader goal of fostering a skilled workforce in the environmental sector.

3. Poverty Alleviation and Economic Inclusion:

- EPWP initiatives are specifically designed to target vulnerable groups, with a focus on women, youth, and people with disabilities. EDTEA aligns with this focus by ensuring that at least 60% of beneficiaries are women, 55% are youth, and 2% are people with disabilities.
- This focus on inclusivity helps empower marginalized communities, promoting economic participation and poverty alleviation while supporting EDTEA's objectives of social inclusion and equitable growth.

8.2.16. SWOT/PESTEL Analysis (Environmental Analysis)

	Political	Economically	Socially	Technological	Environmental	Legal
Strength	<ul style="list-style-type: none"> • Strong national climate policies (NCCRP, NCCAS, Climate Change Act) • Established KwaZulu-Natal climate change strategy and implementation plan. • Participation in international collaborations • Supportive local government policies for climate initiatives. • Commitment to integrate climate action into local 	<ul style="list-style-type: none"> • Potential for job creation in renewable energy sector • Economic diversification opportunities through green technologies. • Potential for attracting green investments and funding. • Development of sustainable infrastructure projects. • Economic incentives for businesses adopting sustainable 	<ul style="list-style-type: none"> • Active civil society engagement in climate initiatives. • Growing awareness of climate issues in communities. • Increased participation of youth in climate advocacy. • Strengthening community networks for disaster response • Programmes addressing the needs of marginalized groups (gender, youth, disabilities). 	<ul style="list-style-type: none"> • Functional Climate Change Technical Committee driving innovation. • Existing research institutions focused on climate science and technology. • Availability of climate modelling tools and data. • Use of technology in early warning systems for extreme weather events. • Innovations in renewable energy technologies being implemented. 	<ul style="list-style-type: none"> • Diverse ecosystems providing resources for conservation. • High biodiversity that can enhance resilience strategies. • Opportunities for ecosystem restoration projects. • Rich natural resources that can be sustainably managed. • Natural landscapes that can support climate adaptation efforts. 	<ul style="list-style-type: none"> • Comprehensive climate legislation creates a foundation for accountability and action. • Existing frameworks for environmental protection promote sustainable practices. • Legal mechanisms for community engagement in climate decision-making processes. • Provisions for environmental impact assessments (EIAs) guide sustainable development.

	Political	Economically	Socially	Technological	Environmental	Legal
	governance frameworks.	practices.				
Weakness	<ul style="list-style-type: none"> • Inadequate integration of climate change policies in local governance. • Limited public engagement in climate policy decision-making. • Political instability affecting long-term climate planning. • Limited coordination with national departments on climate initiative. 	<ul style="list-style-type: none"> • Insufficient budget allocations for climate response initiatives. • Economic dependency on sectors vulnerable to climate impacts (e.g., agriculture). • Slow economic adaptation to changing climate conditions. • High costs associated with transitioning to green technologies. • Economic disparities between urban and rural 	<ul style="list-style-type: none"> • Limited resources for vulnerable communities to adapt to climate change. • Social inequalities exacerbated by climate impacts. • Insufficient representation of marginalized voices in climate discussions. • Vulnerability of informal settlements to climate risk • Limited access to climate education and awareness programs. 	<ul style="list-style-type: none"> • Inconsistent application of climate technologies across local governments. • Lack of infrastructure to support widespread technological adoption • Barriers to accessing climate data and technologies for local communities. • Underinvestment in research and development for climate technologies. 	<ul style="list-style-type: none"> • High greenhouse gas emissions (GHG) from fossil fuel consumption. • Pollution from industrial activities affecting air and water quality. • Habitat loss due to unsustainable land use practices. • Fragmented conservation policies leading to ineffective environmental protection. • Weak regulatory frameworks for land-use planning related 	<ul style="list-style-type: none"> • Weak enforcement of existing environmental laws leads to inadequate responses. • Gaps in legal frameworks may hinder comprehensive climate action. • Inconsistent application of environmental regulations at local levels. • Lack of specific climate change regulations for the critical urgent sections of the Act.

	Political	Economically	Socially	Technological	Environmental	Legal
		areas affecting resilience.			to climate adaptation.	
Opportunities	<ul style="list-style-type: none"> Strengthening partnerships with international organizations for funding and expertise. Development of regional climate adaptation plans. Opportunities for capacity building in local governments to enhance governance. 	<ul style="list-style-type: none"> Increased global demand for renewable energy sources. Attracting investments in sustainable agriculture and tourism. Exploring new markets for climate-resilient products and services. Economic growth through green job creation in various sectors. 	<ul style="list-style-type: none"> Opportunities for community-led adaptation projects Engaging youth in climate science and policy advocacy. Enhancing social equity through targeted adaptation programmes. Strengthening social cohesion through collaborative initiatives. 	<ul style="list-style-type: none"> Potential for innovative solutions through public-private partnerships. Advancements in remote sensing and monitoring technologies. Development of open-source platforms for sharing data. Advancements in remote sensing and monitoring technologies. Potential of applying artificial intelligence (AI) in climate change mitigation, 	<ul style="list-style-type: none"> Potential for community-based conservation initiatives. Opportunities for integrating indigenous knowledge into climate strategies Scope for new laws to address emerging climate challenges effectively. 	<ul style="list-style-type: none"> Opportunities to develop new climate-related legislation to address current gaps. Potential for regional legal frameworks to support local climate initiatives. New laws could promote equitable access to resources and climate adaptation strategies. New climate change regulations and guidelines post Climate Change Act.

	Political	Economically	Socially	Technological	Environmental	Legal
				adaptation and resilience		
Threats	<ul style="list-style-type: none"> • Political shifts may reduce focus on climate initiatives and funding. • Lack of political will to prioritize climate change in policy agendas. • Resistance to change from established industries reliant on fossil fuels. • Competing priorities may divert resources away from climate initiatives. 	<ul style="list-style-type: none"> • Economic impacts from climate change affecting key industries (e.g., agriculture, • Potential for increased costs associated with climate disasters. • Potential for increased unemployment in sectors unable to adapt to climate change. 	<ul style="list-style-type: none"> • Climate-induced migration could lead to increased social tensions. • Disparities in climate impacts may exacerbate existing social inequalities and ills. • Cultural and social challenges in implementing climate adaptation strategies. • Potential for social unrest related to resource scarcity exacerbated by climate change. 	<ul style="list-style-type: none"> • Rapid technological advancements may outpace existing regulatory frameworks. • Dependence on outdated technologies that do not promote climate-resilience. • Cybersecurity risks related to climate data management systems. 	<ul style="list-style-type: none"> • Increased frequency of extreme weather events threatening infrastructure and livelihoods. • Loss of biodiversity due to habitat degradation and climate impacts. • Legislative inertia may hinder the development of effective climate policies. 	<ul style="list-style-type: none"> • Increased litigation risks due to insufficient climate action

8.2. INTERNAL ENVIRONMENT ANALYSIS

The internal environment of the Department was essential for identifying its strengths, weaknesses, and operational capacities. This analysis aligned resources and processes with desired outcomes, highlighted areas for improvement, and addressed challenges. By understanding its internal dynamics, EDTEA enhanced its ability to fulfil its mandate and respond effectively to sector needs, ultimately driving economic growth and sustainable development.

8.2.1 Organizational Structure

The Department's high-level organizational structure is accurately designed to align with its outcomes. At the top of this hierarchy is the Private Office, led by the Executive Authority, known as the Member of the Executive Council (MEC). The MEC delegates operational responsibilities to the Accounting Officer (Head of Department, HOD), who is followed by the Deputy Director-Generals (DDGs), Chief Directors, and other key roles within the Department. The Department of Economic Development, Tourism, and Environmental Affairs has carefully developed its organizational structure to fit its regulated environment, with functional structures being favoured for their ability to provide greater operational control and clear role definitions despite their limitations.

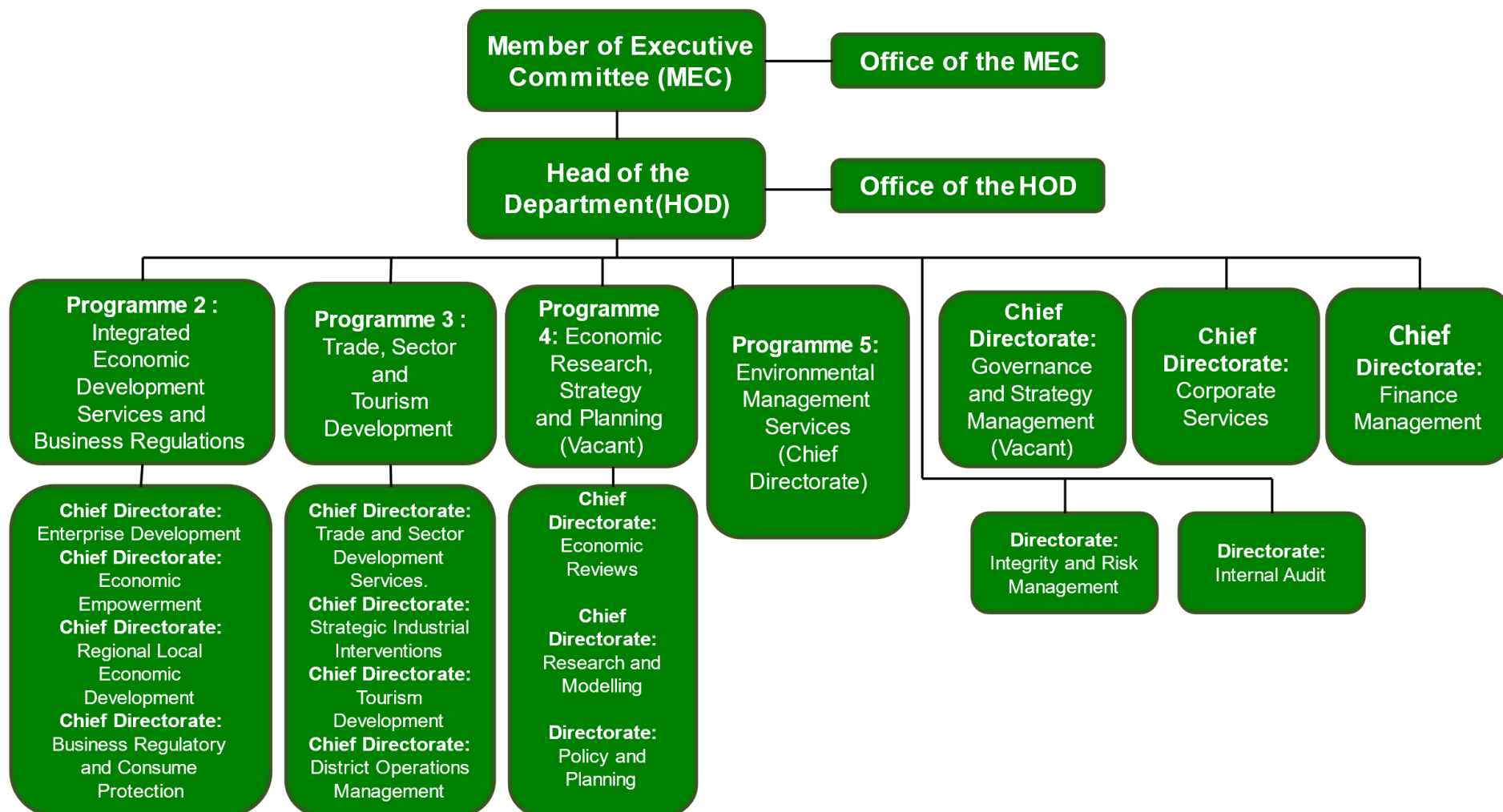
This structure is intended to support the Department's focus on several strategic pillars: Administration, Integrated Economic Development Services and Business Regulatory and Consumer Protection, Trade, Sector and Tourism Development, Economic Research, Strategy and Planning, and Environmental Management Services. The Department operates as a delivery organisation with concurrent competencies, balancing policy-making and operational delivery. At the national level, it focuses on policy development, executive oversight, monitoring, and evaluation, while at the provincial level, it is responsible for the operational delivery of functions as outlined in this Department's Annual Performance Plan.

Table: Overview of Key Programmes and Sub-Programmes

BRANCH	CHIEF DIRECTORATE	BRANCH/ CHIEF DIRECTORATES OBJECTIVES
Private Office	Office of the MEC	Render Ministerial support Services
Programme 1: Administration	Provide strategic direction and co-ordination on the administrative operations of the department	
	Office of the HOD	Provide direction and leadership in execution of services to the office of the HOD
	Corporate Services	Provide strategic direction and leadership in corporate management
	Financial Management Services	Ensure implementation of the PFMA and other related financial Regulations and policies.
	Governance and strategy Management	Provide direction and leadership in execution of governance and strategy management
Programme 2: Integrated Economic Development Services and Business Regulations	Sustain economic development through shared partnerships	
	Enterprise Development	Provide integrated business services
	Economic Empowerment	Provide strategic direction co-ordination and leadership in the implementation of economic empowerment programmes and projects in the KZN Province.
	Regional Local Economic	Develop and manage sustainable RLED Projects that are partnership based.

	Development	
	Business Regulatory and Consumer Protection	Provide business regulatory and consumer protection services.
Programme 3: Trade, Sector and Tourism Development	Provide strategic leadership and direction in the development of Sector and Tourism Development.	
	Trade and Sector Development Services	Formulate economic growth initiatives through sector development and trade promotions.
	Tourism Development	Provide strategic leadership and direction on tourism development.
	Strategic Industrial Interventions	Provide and facilitate the development of strategic Industrial interventions.
	Districts Operations Management	Facilitate effective implementation of all services in the province.
Programme 4: Economic Research, Strategy and Planning	Provide strategic direction coordination and leadership in the economic information for economic research, strategic planning.	
	Economic Reviews – CD Statistical database and Knowledge Management Economic Impact Economic analysis	Provide strategic leadership on economic reviews.
	Policy and Planning	Facilitate and coordinate the development of provincial economic policies and strategies.
	Research and Modelling	Manage and coordinate economic research and modelling in the KZN Province.
Programme 5: Environmental Management Services	Provide sustainable environmental management in the province	
	Environmental Quality Management	Provide direction and guidance in environmental quality
	Coastal and Biodiversity Management	Coordinate, facilitate and promote coastal & marine pollution and biodiversity management.
	Environmental Governance, Planning and Climate Change	Establish and coordinate provincial sustainable environmental development and climate change management.
	Compliance Monitoring and Enforcement Management	Coordinate compliance and monitoring management in the province.
	Environmental Empowerment Management Services	Promote and facilitate integrated environmental management through capacity building and awareness programmes.

Figure: High level current Organisational Structure



Source: Internal (HR)

8.2.2 Human Resource Capacity

Human Resource Capacity played a critical role in the achievement of the strategic outcomes and the fulfilment of the mandate of the Department. As the drivers of policy implementation and service delivery, the skills, competencies, and well-being of the Department's workforce significantly influenced its effectiveness and efficiency.

This section provides a comprehensive analysis of the human resource landscape that existed within EDTEA, focusing on workforce demographics, skills availability, staff development, and performance management during the previous strategic planning period. By examining these aspects, the department identified strengths to leverage, gaps to address, and opportunities to enhance its human capital. This analysis ensured that the workforce was well-equipped, motivated, and capable of supporting the department's strategic priorities, ultimately contributing to inclusive economic growth, job creation, environmental sustainability, and socio-economic transformation in KwaZulu-Natal.

8.2.2.1 Workforce Demographics

The occupational category data highlights the distribution of the 624 employees across various roles, with a total of 217 males and 407 females. The "Legislators, senior officials, and managers" category consists of 52 employees, including 32 males and 20 females, indicating a relatively balanced gender representation in leadership roles. The "Professionals" category has the highest number of employees, with 265 individuals—120 males and 145 females—demonstrating a strong presence of both genders in roles that require specialized skills and qualifications. The "Technicians and associate professionals" category includes 248 employees, with a notable female majority of 182, compared to 66 males, reflecting the significant contribution of women in technical and support roles.

The "Clerks" category comprises 56 employees, including 21 males and 35 females, showcasing a gender disparity in favour of women in administrative positions. Interestingly, there are no employees in the "Service and sales workers," "Skilled agriculture and fishery workers," "Craft and related trades workers," and "Plant and machine operators and assemblers" categories, indicating a potential gap in these areas. The "Elementary occupations" category has only three employees, all males. Additionally, 20 employees are identified as having disabilities, including 7 males and 13 females, showing a commendable inclusion of people with disabilities within the workforce. Overall, the data reveals a strong female representation across most occupational categories, with some areas for improvement in gender balance, particularly in technical and senior management roles.

8.2.2.2 Staffing and Skills Analysis

The current analysis of skills availability and gaps reveals a varied landscape across different salary bands within the organization. In the Lower Skilled Band (Levels 1-2), all 206 approved posts are filled, with an additional 206 employees, indicating a sufficient or even surplus of skills in these roles. However, in the Skilled Band (Levels 3-5), there is a notable 20% vacancy rate, with 58 out of 72 posts filled. This gap in skilled workers could impact operational efficiency.

In the Highly Skilled Production Band (Levels 6-8), there is a minimal skills gap, with a low vacancy rate of 1.7% and 18 additional employees beyond the establishment, reflecting sufficient skill availability. In contrast, the Highly Skilled Supervision Band (Levels 9-12) faces a significant gap, with a vacancy rate of 13.1% and only 5 additional employees, indicating a shortfall in supervisory and managerial expertise. The Senior Management Band (Levels 13-16) has the highest vacancy rate at 21%, with 13 unfilled posts, highlighting a critical need for leadership and strategic skills.

8.2.2.3 Training Provision Analysis

As of April 1, 2024, the organization has made significant strides in skill development, particularly for female employees, through various training initiatives aimed at fostering gender equity and enhancing leadership capabilities. In the Legislators, Senior Officials, and Managers category, 20 females participated in 15 training sessions, compared to 33 males in 7 sessions. Among Professionals, 140 females received 57 training opportunities versus 102 males with 43. In the Technicians and Associate Professionals category, 86 females participated in 45 sessions, compared to 71 males with only 27. In the Clerks category, 35 females engaged in 12 sessions, while 15 males attended 5. Notably, in Elementary Occupations, females received 182 training sessions compared to 64 for males. These initiatives reflect a proactive approach to skill enhancement, particularly for women, aiming to boost their representation and capabilities across various levels. Overall, females accounted for 369 employees and 311 training sessions, while males accounted for 255 employees and 146 sessions.

8.2.2.4 Staff Retention and Turnover Rates

From April 1, 2023, to March 31, 2024, data on promotions and employee movements highlights challenges in staff retention and turnover. With a total of 624 employees, only 10 promotions were recorded, resulting in a modest promotion rate of 1.36%. Notably, there were no promotions in the Lower Skilled and Skilled categories, indicating potential stagnation that may contribute to turnover.

The Highly Skilled Production band had a promotion rate of only 0.46%, while the Highly Skilled Supervision band saw a rate of 2.44%. The Senior Management band had the highest rate at 3.92%, yet still reflects challenges in retaining talent due to limited promotional pathways. The lack of progressions within salary levels suggests a static environment that may hinder employee satisfaction and increase turnover rates. Therefore, there is a clear need for enhanced career development initiatives to improve staff retention and minimize turnover within the organization.

8.2.3. Organizational Performance and Capability (Achievements and Challenges)

8.2.3.1 Consolidated Annual Performance Report: Dashboard Analysis

The Annual Performance Reports for the periods 2019/20 through 2023/24 show varying performance across the seven programmes of the Department. Here's a consolidated analysis:

Programme 1: Administration

- **Indicators:** Fluctuating performance with an average of 21 indicators across the years.
- **Performance:** Consistently underachieved, ranging from 56% to 77%, with a notable decline to 56% in 2023/24 due to targets not being met in key administrative functions.

Programme 2: Integrated Economic Development Services

- **Indicators:** Steady with an average of 10 indicators annually.
- **Performance:** Achieved consistently high performance, reaching 100% in most years, demonstrating strong implementation of economic development initiatives.

Programme 3: Trade & Industry Development

- **Indicators:** Number of indicators increased from 11 to 20 over the years.
- **Performance:** Performance varied significantly, achieving only 55% in 2020/21 but improving to 80% in 2023/24. The challenges were due to unmet targets in industrial development projects.

Programme 4: Business Regulations & Governance

- **Indicators:** Remained stable at around 10-11 indicators each year.
- **Performance:** Consistently achieved 100%, indicating effective governance and regulation implementation.

Programme 5: Economic Planning

- **Indicators:** Lower number of indicators, averaging 4-5 annually.
- **Performance:** Mostly satisfactory, achieving between 75% to 100%. The programme effectively met its planning and policy development targets.

Programme 6: Tourism Development

- **Indicators:** Averaged 9-11 indicators, focusing on tourism promotion and development.
- **Performance:** Improved steadily, with performance ranging from 78% to 100%, reflecting successful tourism development and support initiatives.

Programme 7: Environmental Management

- **Indicators:** The highest number of indicators, with an average of 45 annually.
- **Performance:** Strong performance, maintaining around 93% to 100% achievement. This indicates consistent delivery of environmental management and sustainability initiatives.

8.2.3.2 Audit Outcomes and Improvement Plans Over the Years

The Department's achievement of unqualified audit outcomes over four consecutive financial years (2020/2021 to 2023/2024) has established a robust foundation for its planning and operations as it approaches the 2030 target period. This consistent track record not only highlights its commitment to exemplary corporate governance, prudent financial management, and transparency in reporting but also reflects a well-entrenched culture of accountability and diligence within the Department.

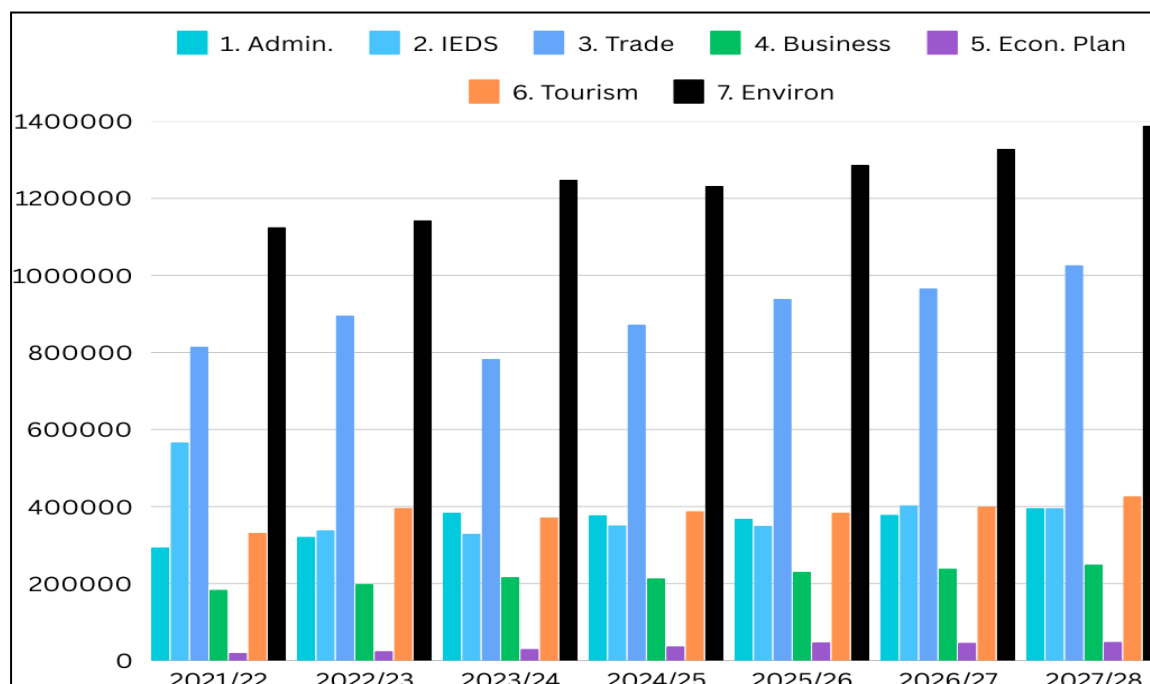
Moving forward, EDTEA remains focused on sustaining this high standard by implementing its comprehensive Audit Improvement Plan. This plan encompasses enhanced monitoring and evaluation mechanisms, improved quality assurance processes, and targeted training and policy updates designed to bolster financial management practices, ensure regulatory compliance, and mitigate risks. By reinforcing these measures, the Department aims to continue its strong performance, building confidence among stakeholders and positioning itself as a leader in governance and financial integrity. This approach will be crucial in driving the Department's strategic initiatives, particularly in the realms of economic development, job creation, and

environmental sustainability, as it works toward achieving its 2030 vision and contributing meaningfully to the province's overall growth and development.

8.2.4. Financial Performance

The Department's budget for 2025/26 reflects a strategic focus on key areas of economic development, operational efficiency, and sustainability, with significant investments across various programmes. The total budget for the year is set at R3,606,998,000, highlighting the Department's commitment to strengthening service delivery and advancing its core objectives.

Figure: Department Budget Allocations by Programmes for 2021/22 – 2027/28



Source: Finance (internal)

A substantial portion of this budget is allocated to Administration, with R368,473,000 aimed at enhancing operational capacity. Integrated Economic Development Services is allocated R350,170,000, with expected growth in the coming years. Trade and Sector Development receives significant support, with R939,362,000 dedicated to driving economic growth. Tourism also benefits from strong funding, with R384,008,000 allocated to continue promoting the sector. Environmental Affairs sees a continued commitment to sustainability, with a robust allocation of R1,286,996,000, underscoring the Department's dedication to environmental stewardship.

According to Ezomnotho (Dec 2024), the fiscal policy framework for the 2024/25 period outlines the government's budget adjustments and fiscal allocations, reflecting a reduction in tax revenue projections. Gross tax revenue estimates were revised down by R22.3 billion, primarily due to lower demand for energy imports, which affected fuel levies and import VAT collections. This resulted in a downward revision of the main budget revenue estimate by R17.7 billion for 2024/25. Government spending is expected to increase, with non-interest expenditure rising from R1.764 trillion in 2024/25

to R2.036 trillion by 2027/28, alongside growing debt-service costs. KwaZulu-Natal's provincial revenue for 2024/25 primarily comes from the Provincial Equitable Share (R121.145 billion), conditional grants (R25.396 billion), and own revenue (R4.177 billion). Adjustments in the provincial budget included an increase of R993 million, bringing the total to R151.481 billion. Major expenditure was directed to key departments, including Education and Health, with additional allocations for specific projects like the National School Nutrition Programme and youth employment initiatives. Despite these increases, the province faced no additional funding from the National Treasury, relying on internal adjustments and roll-overs.

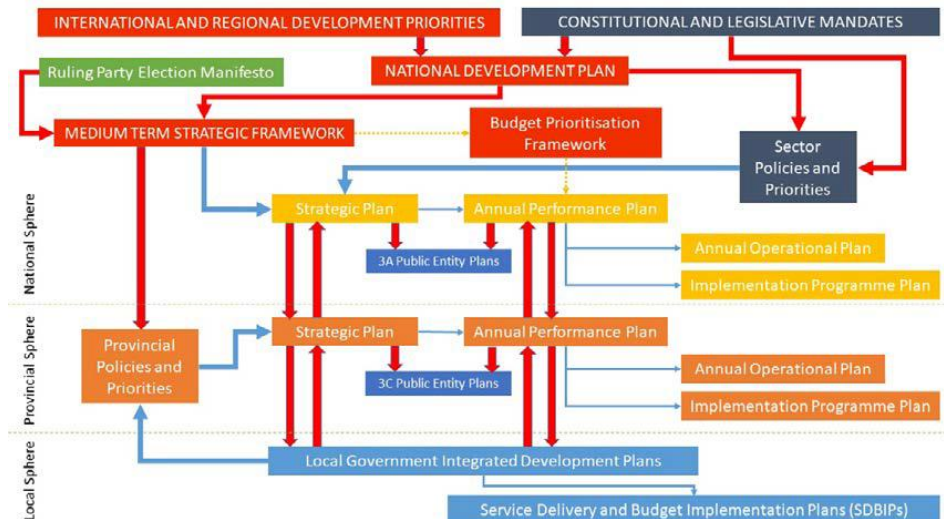
8.2.5. Monitoring and Evaluation Systems

The Monitoring and Evaluation unit within KZN EDTEA plays a pivotal role in coordinating performance information, which is crucial for evaluating the Department's effectiveness in achieving its strategic goals and implementing policies. The sub-programme employs a comprehensive M&E framework that integrates planning, budgeting, and reporting cycles, providing a structured approach to track the Department's progress across all levels. This framework, which follows a results-based approach, ensures that performance data is systematically collected, analysed, and reported, enabling the department to monitor inputs, activities, outputs, outcomes, and impacts effectively. By focusing on results, the M&E unit not only measures what is accomplished but also assesses the effectiveness of strategies in achieving desired outcomes. Through the production of quarterly reports, the M&E unit offers valuable insights into the success of various departmental processes and strategies, facilitating data-driven decision-making and continuous improvement.

8.2.5.1 Data Collection, Analysis, and Reporting Capabilities

The Performance information is gathered from multiple sources and processed to assess the efficiency and effectiveness of Departmental activities. This data is used to generate detailed reports that not only measure the Department's outputs and outcomes but also provide a clear picture of its impact on broader socio-economic goals, such as job creation and poverty reduction. These reports are essential for internal planning, budgeting, and implementation decisions, enhancing accountability and transparency by allowing stakeholders, including legislators and the public, to track progress and identify areas for improvement. Department's robust data collection, analysis, and reporting capabilities underpin its M&E system.

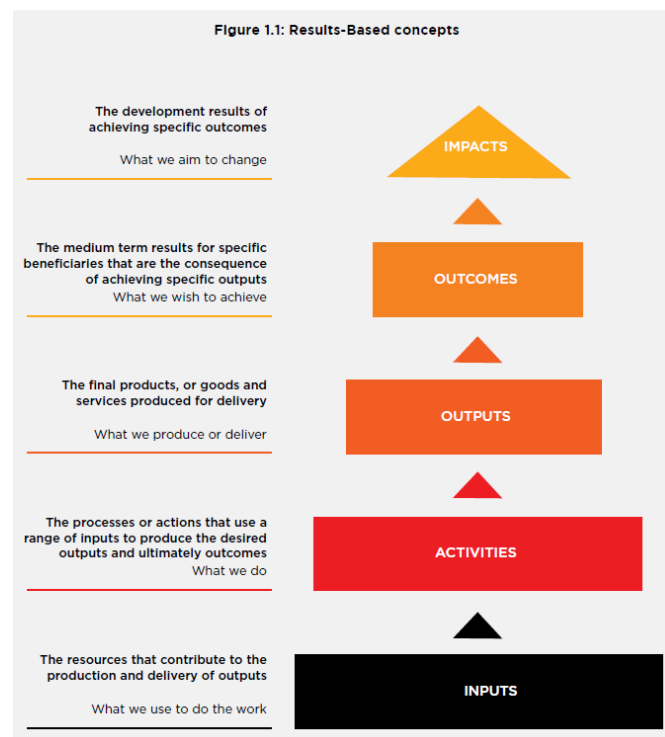
Picture: Result-based Approach



Source: DPME Revised Framework

The results-based approach embedded in the M&E framework ensures that potential risks and unintended consequences are identified early, enabling timely corrective actions and continuous alignment with the department's strategic objectives.

Picture: Result-based Approach (2)



Source: DPME Revised Framework

8.2.6. Operational Efficiency

The Department of Economic Development, Tourism, and Environmental Affairs is committed to enhancing its operational efficiency to achieve its strategic objectives effectively. The Department prioritizes streamlined business processes and optimized resource utilization to deliver high-quality

services. Key processes, such as financial management, procurement, strategic planning, and performance reporting, are continuously monitored and evaluated to ensure they are aligned with Departmental outcomes and legislative requirements. The effectiveness of these processes is reflected in the Department's ability to meet its targets, adhere to timelines, and maintain compliance with regulatory standards. By fostering a culture of continuous improvement, EDTEA is able to address operational bottlenecks proactively and implement best practices that contribute to the overall efficiency of its operations.

8.2.6.1 Business Processes and System

The Department employs a comprehensive suite of business processes and systems designed to support its diverse mandates in economic development, tourism, and environmental management. These processes are structured to promote transparency, accountability, and responsiveness. For instance, the procurement process has been optimized to ensure timely delivery of goods and services while maintaining compliance with the Public Finance Management Act (PFMA) and other relevant regulations. The Department has also implemented a robust performance management system that tracks the progress of various programmes and projects, enabling effective monitoring and evaluation. Regular process reviews and stakeholder feedback are integral components of EDTEA's approach, allowing for the identification of areas that require refinement and ensuring that systems remain responsive to the changing needs of the Department.

The EDTEA ICT Policy (2023) provides a framework that supports the secure and effective use of technology and digital tools in business processes. It fosters an environment conducive to both technological advancement and continuous process improvements, ensuring that the Department remains efficient, innovative, and secure in its operations.

8.2.6.2 Use of Technology and Digital Tools

To enhance its operational efficiency, EDTEA leverages advanced technology and digital tools across its functions. The department has implemented an integrated electronic document management system, significantly improving document tracking, storage, and retrieval. This innovation reduces reliance on physical records and minimizes the risk of data loss. Additionally, EDTEA employs digital platforms for strategic planning and performance reporting, streamlining workflows and facilitating better coordination among various programmes and sub-programmes. The use of data analytics tools has further enabled informed decision-making by providing real-time insights into key performance indicators and operational metrics. These technological advancements have enhanced productivity and fostered a more agile and responsive organizational culture.

The EDTEA ICT Policy (2023) supports this by emphasizing the integration of secure development practices when using technology and digital tools. The policy highlights secure coding practices to minimize vulnerabilities and stresses the importance of addressing technical vulnerabilities to maintain system security. Furthermore, the policy requires the identification and mitigation of information security risks within business processes, ensuring that security objectives are included in project management.

8.2.6.3 Process Improvements and Innovation

Innovation and continuous improvement are central to EDTEA's strategy for enhancing business processes. The department actively pursues opportunities to refine its operations by adopting best practices and integrating innovative solutions. Recent initiatives include automating routine administrative tasks, such as leave management and travel claims processing, freeing up staff time for more strategic activities. EDTEA promotes a collaborative approach to process improvement, encouraging input from all levels of staff to identify inefficiencies and propose practical solutions. This culture of innovation not only improves operational efficiency but also ensures that the department remains adaptable in addressing the dynamic challenges of economic development and environmental management.

The EDTEA ICT Policy (2023) supports this approach by encouraging the continuous improvement of information security management, which indirectly supports broader innovations. The policy mandates regular reviews of security practices and the adaptation of controls to meet evolving threats and business needs. Moreover, it promotes data protection methods, including data masking and encryption, which enable the innovative use of data while ensuring compliance with legal and regulatory requirements.

8.2.6.4 Service Delivery Models

The current service delivery approach within the Department focuses on a structured framework designed to address the diverse needs of stakeholders, including tourists, local businesses, and municipalities. This approach incorporates established service standards and a Complaints/Compliments Management Framework, ensuring that queries related to tourist guide registration and information access are resolved efficiently. Evaluation of service delivery effectiveness reveals that while the Department has successfully accredited tourist guides and facilitated effective communication through various media channels, challenges remain due to external factors such as low investment levels and bureaucratic hurdles. Nevertheless, the absence of outstanding complaints indicates a commendable level of responsiveness, highlighting the Department's commitment to continuous improvement in service delivery. Overall, the effectiveness of the current service delivery model reflects both achievements and areas for further enhancement to better serve the community and stimulate economic growth.

8.2.6.5 Procurement and Supply Chain Management

The Department continues to abide by the robust procurement framework to ensure compliance with supply chain management (SCM) policies and procedures. This approach includes ensuring all legislative prescripts are followed and complied with, and all reports are timeously submitted. The Demand unit has strengthened the skill of staff and there is more professional deliverance of work. The compliance unit continues to monitor internal processes and plays an integral part in verification of awards. These efforts have effectively ensured that errors are minimised, and compliance is strengthened. The high volume of procurement and the limited resource capacity is a challenge. Whilst the Deputy manager posts have been filled, the Assistant Director posts which have become vacant

due to internal promotion has yet to be finalised. The current challenge is alleviated with staff working overtime. There has been a significant improvement in the attendance of SCM workshops by end users contributing to better understanding of the supply chain processes, and the continuous engagement with the end users for the provision of support has resulted in a more efficient and effective achievement of Departments' objectives.

8.2.7. Governance and Compliance

The Governance and Compliance section highlights the Department of Economic Development, Tourism, and Environmental Affairs' commitment to upholding robust corporate governance standards through strict internal controls and risk management practices. By adhering to legal and regulatory requirements, promoting ethics and integrity, and leveraging oversight mechanisms, the Department ensures accountability and transparency in its operations.

8.2.7.1 Internal Controls and Risk Management

The Department implements a robust risk management framework in alignment with the King IV Report on Corporate Governance and the Public Finance Management Act (PFMA), ensuring sound corporate governance. Central to this framework are the Risk Management Committee, the Risk Management Champions Steering Committee, and the Ethics Management Committee, which together foster a culture of accountability and transparency. The Department consistently applies its risk management policy, strategy, and risk tolerance and appetite statements, conducting quarterly risk assessments to identify and address emerging risks.

These assessments inform the Department's dynamic risk register, which is regularly updated to reflect changes in the risk landscape. Additionally, the Provincial Cluster Audit and Risk Committee provides quarterly oversight and guidance on risk mitigation strategies, further strengthening governance in key areas such as information technology, business continuity, and fraud prevention. With an 82% completion rate for risk mitigation plans, the Department has significantly bolstered its control environment, thereby enhancing stakeholder confidence in its capacity to effectively manage risks and achieve its objectives.

Effective risk management enables the Department to optimize resource allocation, foster innovation, and enhance service delivery while reducing inefficiencies and preventing fraud and corruption. It also ensures a safe and healthy working environment, contributing to the Department's overall effectiveness and reinforcing stakeholder trust.

Risk Appetite and Tolerance Review

As part of its commitment to effective risk management, the Department regularly reviews its risk appetite and tolerance levels to ensure alignment with strategic objectives. The following table summarizes the risk appetite and acceptable risk levels for each category:

Risk Category	Risk Appetite	Acceptable Risk Levels	Rationale
Strategic Risks	Low	Minor and insignificant	Protects initiative delivery and reputation.
Operational Risks	Low	Minor and insignificant (based on cost-benefit analysis)	Ensures efficient service delivery.
Reputational Risks	Zero	No breaches of code of conduct	Prioritises integrity.
Fraud and Corruption (Ethics) Risks	Zero	None	Prioritises integrity.
Information Management Risks	Zero tolerance for misuse	None	Protects information assets and ensures compliance.
Compliance Risks	Zero tolerance for deliberate non-compliance	None	Adheres strictly to legislative requirements.
Health and Safety Risks	Low	Minor	Prioritises safety.
Financial Risks	Low	Minor and significant (based on cost-benefit analysis)	Balances risk with strategic investments.
Information Technology Risks	Low	Minor	Prevents cyber-attacks and IT system breaches.
Security Risks	Low	Minor and insignificant	Ensures security for events and premises.
Human Capital Risks	Low	Minor and insignificant (based on cost-benefit analysis)	Maintains operational efficiency.
Project Risks	Low	Minor risks only; tolerance may vary for third-party managed projects	Manages project risks while acknowledging external factors.

Source: Internal (2025)

8.2.7.2 Legal and Regulatory Compliance

Compliance with relevant laws and regulations is demonstrated through unqualified audit outcomes for four consecutive financial years (2020/2021 to 2023/2024), showcasing adherence to the Public Finance Management Act (PFMA) and other regulatory requirements. This consistent achievement reflects robust governance and financial management practices, supported by effective oversight and control measures. To build on this success, an Audit Improvement Plan is being implemented, focusing on enhanced monitoring and evaluation, quality assurance, and targeted training and policy updates to ensure continued compliance and maintain high audit standards.

8.2.7.3 Ethics and Integrity Management

The Code of Conduct for the Public Service acts as a critical guideline for employees of the Economic Development, Tourism, and Environmental Affairs sector, emphasizing ethical behaviour in both professional and personal spheres. This Code outlines expectations to avoid conflicts of interest while promoting exemplary conduct among staff. To reinforce these principles, awareness campaigns are implemented regularly, reminding employees of the rules and standards they are expected to uphold.

By fostering a culture of accountability and integrity, the organization ensures that all employees understand their responsibilities and remain committed to maintaining high standards in their daily activities.

To effectively manage ethical breaches and prevent corruption, a comprehensive fraud prevention plan is in place and reviewed annually. This plan includes mechanisms for reporting fraud, such as the National Anti-Corruption Hotline (NACH) and a dedicated email line for allegations. Concerns reported through these channels are promptly investigated by the Provincial Forensic Unit, which operates independently and provides detailed reports with actionable recommendations. Additionally, an Ethics Management Committee meets quarterly to address ethical issues, ensuring ongoing oversight and guidance. The Department also enforces an Integrity Management Policy that requires designated officials to disclose financial interests, thereby minimizing conflicts of interest. Through these proactive measures, the commitment to upholding ethical standards and promoting transparency is clearly demonstrated, alongside a decisive approach to addressing misconduct.

8.2.8. Stakeholder Engagement and Communication

Effective stakeholder engagement and communication are critical components for the Department's success in achieving its strategic outcomes. This section provides an in-depth analysis of the roles and responsibilities of both internal and external stakeholders, highlighting their contributions and impact on the Department's operational efficiency and goal attainment. By fostering robust relationships and establishing clear communication channels, the Department aims to create a cohesive environment that supports its mandate and facilitates collaborative efforts across various levels of governance and community engagement.

8.2.8.1 Internal Stakeholders

Internal stakeholders, including staff, management, and employee representatives, play a pivotal role in the Department's internal processes. Their contributions are essential in ensuring that the Department functions efficiently, with clear mechanisms for communication and engagement to address challenges and streamline operations.

Internal Key Stakeholders	Challenges Confronting Internal Stakeholders	Mechanisms for Communication and Engagement
HOD Office	<ul style="list-style-type: none"> Increased role demands beyond core responsibilities lead to strain on operations. Decision-making delays and slow approvals hinder progress and responsiveness. 	<ul style="list-style-type: none"> Regular management meetings to address operational challenges. Strategic planning sessions for long-term alignment. Utilization of digital platforms for quicker decision-making processes.
DDG Office	<ul style="list-style-type: none"> Inefficient service delivery due to lack of integrated systems and support across departments. High volume of oversight and administrative functions impacts strategic focus. 	

Internal Key Stakeholders	Challenges Confronting Internal Stakeholders	Mechanisms for Communication and Engagement
Economic Research, Strategy and Planning	<ul style="list-style-type: none"> • Coordination challenges with other units and departments affect strategic alignment. • Data quality and accuracy issues impede effective planning and decision-making. 	<ul style="list-style-type: none"> • Cross-departmental workshops to improve data quality and alignment. • Dedicated research and planning forums for strategy discussions. • Use of collaborative tools for data sharing and analysis.
Finance / SCM (Project Payments)	<ul style="list-style-type: none"> • Prolonged turnaround times in payment processing lead to delays in project execution. • Budget management and allocation issues disrupt the timely flow of resources. 	<ul style="list-style-type: none"> • Monthly financial review meetings to address payment and budget issues. • Clear escalation procedures for unresolved payment issues. • Use of a dedicated communication platform for finance-related inquiries.
Project Management Support Office	<ul style="list-style-type: none"> • Inefficiencies in project tracking and resource management result in suboptimal project outcomes. • Overlapping roles and lack of clear responsibilities create confusion and delays. 	<ul style="list-style-type: none"> • Implementation of project management software for better tracking and communication. • Regular project status meetings to ensure alignment. • Training sessions to clarify roles and responsibilities.
Legal Service Unit	<ul style="list-style-type: none"> • Backlog of cases and adapting to regulatory changes challenge timely legal support. • Insufficient resources and support to manage increasing legal demands. 	<ul style="list-style-type: none"> • Legal review meetings to prioritize cases. • Use of a legal case management system for tracking and communication. • Regular updates on regulatory changes and their impact on operations.
Business Regulations - Informal Economy	<ul style="list-style-type: none"> • Regulatory framework inconsistencies and lack of stakeholder engagement hinder effective support for the informal economy. • Limited resources and coordination challenges affect implementation. 	<ul style="list-style-type: none"> • Engagement with informal economy stakeholders to gather feedback. • Regular policy review meetings with internal and external stakeholders. • Dedicated support channels for informal business queries.
IGR Unit (Coordinating OSS)	<ul style="list-style-type: none"> • Complexities in coordinating Operation Sukuma Sakhe (OSS) across multiple stakeholders. • Inadequate framework for effective stakeholder engagement and system integration. 	<ul style="list-style-type: none"> • Coordination meetings to streamline processes. • Use of digital platforms for effective collaboration and information sharing.
M&E (Monitoring and Evaluation)	<ul style="list-style-type: none"> • Lack of institutionalization of the Outcomes and Impact Framework (OVF) hinders effective monitoring and evaluation. • Challenges in accessing accurate and timely data impact performance reporting. 	<ul style="list-style-type: none"> • Implementation of an OVF plan. • Training on data management and reporting. • Centralized data system for timely access and reporting.

8.2.8.2 External Stakeholders

External stakeholders, such as key partners, communities, and clients, are integral to the Department's broader impact. Effective stakeholder relationship management, coupled with robust feedback mechanisms and collaboration, is vital for aligning external contributions with the Department's strategic objectives. This engagement fosters mutual understanding and cooperation, enabling the Department to respond effectively to the needs of its constituents and stakeholders. The table below outlines the demand for service emanating from the issues encountered by our stakeholders.

External Key Stakeholders	Challenges Confronting External Stakeholders	Mechanisms for Communication and Engagement
All Provincial Departments	<ul style="list-style-type: none"> • Resource and capacity constraints impacting service delivery. • Difficulties in coordinating inter-departmental projects and initiatives for cohesive policy implementation. 	<ul style="list-style-type: none"> • Provincial coordinating forums and task teams. • Strategic planning and review workshops. • Inter-departmental communication through formalized channels.
Civil Society	<ul style="list-style-type: none"> • Limited capacity and resources for effective engagement and service delivery. • Difficulty accessing funding for community-based initiatives. • Lack of representation in decision-making processes. • Limited influence on policy development and government decisions. • Legal and regulatory barriers restricting activities. • Public trust and perception issues. • Political and social challenges, including repression or restrictions. 	<ul style="list-style-type: none"> • Public consultations and community forums for feedback. • Advocacy campaigns and lobbying for policy change. • Grassroots mobilization and community outreach programmes. • Media engagement through press releases and social media. • Joint initiatives with other civil society organizations. • Participatory decision-making platforms to ensure inclusiveness
Cluster, Audit and Risk Committee (CARC)	<ul style="list-style-type: none"> • Insufficient oversight mechanisms to ensure compliance and risk management. • Challenges in aligning departmental actions with risk mitigation strategies and audit recommendations. 	<ul style="list-style-type: none"> • CARC meetings for review and feedback. • Circulation of risk and audit reports. • Stakeholder engagement sessions for strategic planning and alignment.
Clusters / Action Work Groups (AWGs)	<ul style="list-style-type: none"> • Fragmented approach to project implementation and stakeholder engagement. • Coordination issues and overlapping mandates leading to inefficiencies in achieving strategic goals. 	<ul style="list-style-type: none"> • Cluster/AWG meetings for project planning and review. • Regular updates through cluster reports. • Collaborative platforms for stakeholder engagement and feedback.
Financial Institutions	<ul style="list-style-type: none"> • Limited alignment between government funding mechanisms and institutional lending criteria. • Economic fluctuations and policy uncertainty impacting lending practices and support for government initiatives. 	<ul style="list-style-type: none"> • Financial sector forums and public-private partnerships. • Engagement through investment conferences and economic forums. • Regular updates and consultations on policy changes and economic strategies.

External Key Stakeholders	Challenges Confronting External Stakeholders	Mechanisms for Communication and Engagement
Government Agencies (e.g., NDA, NEMISA)	<ul style="list-style-type: none"> • Coordination and resource challenges in implementing community-based initiatives. • Difficulties in measuring the impact of funded projects and aligning with government developmental goals. 	<ul style="list-style-type: none"> • Inter-agency collaboration and joint project planning. • Regular review meetings and impact assessments. • Stakeholder forums and capacity-building workshops.
Institutions of Higher Learning	<ul style="list-style-type: none"> • Insufficient collaboration with government on research and development initiatives. • Limited funding for research impacting the institution's ability to contribute effectively to policy development and societal challenges. 	<ul style="list-style-type: none"> • Academic forums and research collaborations. • Memoranda of Understanding (MOUs) for joint projects. • Regular engagement through policy dialogues and strategic workshops.
KwaZulu-Natal Treasury	<ul style="list-style-type: none"> • Budgetary constraints affecting resource allocation to critical projects. • Slow decision-making and fund disbursement delays impacting departmental operations and service delivery. 	<ul style="list-style-type: none"> • Budget review meetings. • Financial performance reviews and compliance checks. • Communication through financial circulars and Treasury guidelines.
Legislature and Relevant Portfolio Committees	<ul style="list-style-type: none"> • Complexities in policy oversight and effective implementation across diverse governmental levels. • Coordination challenges in aligning provincial and national legislative mandates. 	<ul style="list-style-type: none"> • Regular briefings and reports to Portfolio Committees. • Participation in MinMec meetings. • Legislative feedback sessions and public hearings.
Local Government / Municipalities	<ul style="list-style-type: none"> • Resource shortages and infrastructure deficiencies hindering effective local service delivery. • Limited capacity to support economic growth and business development at the municipal level. 	<ul style="list-style-type: none"> • Municipal coordination forums and integrated development planning (IDP) sessions. • Intergovernmental relations (IGR) meetings. • Technical working groups for specific projects and initiatives.
National Department/MinMec	<ul style="list-style-type: none"> • Coordination difficulties in concurrent functions between national and provincial governments. • Excessive bureaucratic red tape hindering policy implementation and service delivery. 	<ul style="list-style-type: none"> • Joint task teams and intergovernmental forums. • MinMec and technical committee meetings. • Memoranda of Understanding (MOUs) to streamline shared functions.
National Development Fund	<ul style="list-style-type: none"> • Inconsistent funding criteria and compliance requirements misaligned with community needs. • Challenges in fund allocation and ensuring effective utilisation of resources for developmental projects. 	<ul style="list-style-type: none"> • Quarterly meetings with beneficiaries and fund managers. • Regular performance and impact assessments.
Non-Governmental Organizations (NGOs/NPOs)	<ul style="list-style-type: none"> • Limited funding and resource constraints impacting project implementation. 	<ul style="list-style-type: none"> • Stakeholder engagement forums and public consultations.

External Key Stakeholders	Challenges Confronting External Stakeholders	Mechanisms for Communication and Engagement
	<ul style="list-style-type: none"> • Coordination challenges with government entities for effective service delivery and support. 	<ul style="list-style-type: none"> • Regular updates and progress reports through newsletters and meetings. • Capacity-building initiatives and collaborative networks.
Office of the Premier (OTP)	<ul style="list-style-type: none"> • Resource constraints impacting capacity for provincial oversight and coordination. • Delays in policy approval and implementation affecting overall governance and project timelines. 	<ul style="list-style-type: none"> • Executive Council (EXCO) meetings. • Coordination meetings with HODs. • Integrated strategic planning sessions and progress reports.
Private Sector	<ul style="list-style-type: none"> • Regulatory and compliance challenges across regions. • Economic uncertainty affecting business stability. • Difficulty accessing financing, especially for SMEs. • Talent shortage and skills gaps. • Technological disruption requiring constant adaptation. • Supply chain disruptions impacting production. • Pressure for environmental sustainability. • Political instability and policy shifts. 	<ul style="list-style-type: none"> • Public-private partnerships to collaborate on projects. • Industry forums and conferences for networking and information exchange. • Corporate social responsibility (CSR) initiatives to engage with local communities. • Direct engagement with government through lobbying and advocacy.
Public Entities	<ul style="list-style-type: none"> • Resource and capacity constraints impacting service delivery. • Insufficient oversight mechanisms to ensure compliance and risk management. • Coordination challenges in aligning provincial and national legislative mandates. 	<ul style="list-style-type: none"> • Strategic planning and review workshops. • Inter-agency collaboration and joint project planning.
South African Local Government Association (SALGA)	<ul style="list-style-type: none"> • Inadequate capacity and resources to support local government service delivery and governance. • Complexities in coordinating with various governmental levels and agencies for integrated local development. 	<ul style="list-style-type: none"> • Local government summits and workshops. • Regular engagement through SALGA conferences and forums. • Collaborative platforms for knowledge sharing and best practices.
Traditional Leaders and Cultural Structures	<ul style="list-style-type: none"> • Limited formal recognition, conflicts with modern governance, cultural preservation challenges 	<ul style="list-style-type: none"> • Community meetings, cultural forums, local councils, direct consultation with traditional leaders
Other Key Stakeholders	<ul style="list-style-type: none"> • Slow response times and inefficiencies in government decision-making processes. • Challenges in navigating complex regulatory landscapes and adhering to evolving compliance requirements. 	<ul style="list-style-type: none"> • Stakeholder engagement meetings and policy dialogues. • Regular updates through circulars and newsletters. • Public participation and consultation sessions for feedback and recommendations.

8.2.8.3 New Public Entities

The establishment of the KwaZulu-Natal Economic Regulatory Authority (KZNERA) marks a significant milestone in streamlining governance and oversight within the province's economic landscape. By merging the KZN Gaming and Betting Board with the KZN Liquor Authority, KZNERA aims to enhance regulatory efficiency and promote a cohesive approach to managing the gaming and liquor sectors. Similarly, the conversion of the Moses Kotane Institute Non-Profit Company into the KwaZulu-Natal Moses Kotane Research Institute (MKRI) as a provincial public entity ensures adherence to the Public Finance Management Act (PFMA), thereby strengthening financial accountability and governance in research initiatives. In tandem, the transformation of the KZN Growth Fund Trust into the KwaZulu-Natal Growth Fund Agency (KZNGFA) not only aligns the agency with PFMA requirements but also enhances its capacity to support economic development through funding and resource allocation. Additionally, the merger of Tourism KZN and the KZN Film Commission into the KwaZulu-Natal Tourism and Film Authority (KZNTAFA) signifies a strategic move to bolster the province's tourism and film sectors by fostering synergies and promoting collaborative initiatives. Collectively, these legislative changes underscore the province's commitment to optimizing resource management, enhancing regulatory frameworks, and driving sustainable economic growth.

8.2.9. Resource Availability and Utilization

EDTEA ensures optimal resource availability and utilization by strategically allocating financial, human, and technological resources to support its core functions and achieve its developmental objectives effectively.

8.2.9.1 Financial Resources

	Outcome			Revised estimate	Medium-term estimates		
R thousand	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
1. Administration	294 016	321 796	384 053	377 013	368 473	378 925	395 978
2. Integrated Economic Development Services and Business Regulation	751 139	536 906	546 298	565 523	580 454	642 495	645 151
3. Trade, Sector and Tourism Development	1 146 558	1 293 138	1 155 731	1 260 430	1 323 370	1 365 988	1 453 733
4. Economic Research, Strategy and Planning	20 369	24 851	30 444	37 478	47 705	46 821	48 930
5. Environmental Affairs	1 125 751	1 143 414	1 248 954	1 232 587	1 286 996	1 329 128	1 388 916
Total payments and estimates	3 337 833	3 320 105	3 365 480	3 473 031	3 606 998	3 763 357	3 932 708

Source: Internal (finance)

8.2.9.2 Physical and Technological Resources

Physical Infrastructure: The Department continues to face challenges with its physical infrastructure, particularly in terms of office accommodation. Key issues include a reliance on short-term leases and delays in securing appropriate office space, especially in Pietermaritzburg and district offices. To mitigate these recurrent leasing problems, the Department is considering purchasing buildings, which would also address related concerns about security and cleaning contracts. Additionally, difficulties with record storage and the maintenance of transport vehicles are being tackled through procurement processes and improved management practices.

In light of these challenges, resolving issues related to physical infrastructure and IT systems will be essential during the 2030 strategic planning period. The Department aims to shift from short-term leasing to the ownership of suitable office spaces, thereby enhancing security and operational efficiency. Simultaneously, the commitment to advancing IT infrastructure through the Provincial Digital Transformation Strategy will bolster connectivity and cybersecurity, ensuring that automated systems are effectively integrated and kept current. By focusing on these areas, the Department seeks to establish a solid foundation for its future operations and service delivery.

IT Systems and Technology Infrastructure: The IT infrastructure of EDTEA is a critical area for development. The Department is dedicated to implementing the Provincial Digital Transformation Strategy while enhancing connectivity and cybersecurity in alignment with national directives. Key priorities include developing and implementing a Cyber Risk Management Framework and optimizing automated systems for Business Regulations, Tourism Development, and Monitoring and Evaluation programmes. Despite these initiatives, the Department faces challenges in integrating subsystems and maintaining up-to-date technology to effectively support its operations.

8.2.10. Resource Optimization

Resource optimization is critical for the Department as it seeks to enhance operational efficiency and maximize the impact of its initiatives. An analysis of current resource utilization reveals a reliance on financial and human resources that may not be aligned with the Department's strategic outcomes. By assessing cost efficiency through metrics such as return on investment and comparing actual expenditures against budgeted amounts, EDTEA is able to identify areas where resources are underperforming. This data-driven approach enables the Department to benchmark its performance against best practices from similar Department and Organisations, ultimately facilitating a more effective allocation of resources to priority projects.

To address these challenges, EDTEA is developing comprehensive strategies for resource mobilization and optimization. This includes exploring partnerships with the private sector and community stakeholders to attract additional funding and support. The Department aims to implement technology solutions that enhance data analytics and automation, thereby streamlining operations and improving resource allocation. Regular monitoring and evaluation of key performance indicators will be essential to assess the effectiveness of these strategies, allowing for timely adjustments to ensure

that resource optimization efforts contribute to sustainable economic growth and development within the province.

8.2.11. SWOT/PESTEL Analysis (Internal EDTEA Analysis)

	Political	Economically	Socially	Technological	Environmental	Legal
Strength	<ul style="list-style-type: none"> • Stable leadership team with filled HOD posts. • Collaborative partnerships with academic institutions. • Transparent decision-making processes. • Positive internal communication with the Executive Authority. • Effective operational framework and approved SOPs. 	<ul style="list-style-type: none"> • Budget allocations for key programmes (<i>SMMEs and co-ops prioritized as economic backbone</i>). • Economic recovery plan providing potential funding opportunities. • Strong positioning of EDTEA in media. • More labour-intensive projects rather than consultant-driven efforts. 	<ul style="list-style-type: none"> • Diverse workforce with increasing representation of women. • Strong, committed, and adaptable team with diverse skills • Positive workplace culture with teamwork • Emphasis on professional development • Comprehensive capacity-building initiatives 	<ul style="list-style-type: none"> • Established training programmes for staff. • Availability of data for decision-making • Increased capacity for digital communication. • Growth of virtual platforms for increased communication. • Systems for rural access to information. 	<ul style="list-style-type: none"> • Heightened community awareness of environmental authorization processes. • Robust environmental health policies in place • Established procedures for environmental health compliance. • Active monitoring of environmental health practices. 	<ul style="list-style-type: none"> • Compliance with internal policies and regulations. • Clear internal governance structures. • Strong legal framework for operations • Regular audits ensuring compliance. • Established legal planning processes and frameworks. • Robust risk and internal audit portfolios.
Weakness	<ul style="list-style-type: none"> • Bureaucratic hurdles in decision-making. 	<ul style="list-style-type: none"> • Dependence on government funding • High vacancy rates in key positions. 	<ul style="list-style-type: none"> • Gender imbalance in senior management roles. 	<ul style="list-style-type: none"> • Gaps in technology training among staff. 	<ul style="list-style-type: none"> • Insufficient resources for environmental projects. 	<ul style="list-style-type: none"> • Complex regulatory compliance processes.

	Political	Economically	Socially	Technological	Environmental	Legal
	<ul style="list-style-type: none"> • Internal conflicts affecting collaboration. • Slow adaptation to policy changes • Poor understanding of rationale and roles within programmes. 	<ul style="list-style-type: none"> • Inconsistent budget allocation for projects. • Poor investment in R&D limiting innovation. 	<ul style="list-style-type: none"> • Poor involvement of programmes in planning and policy guidance. 	<ul style="list-style-type: none"> • Weak IT systems and insufficient office space. • Limited integration of technology across units. • Insufficient focus on cybersecurity. 	<ul style="list-style-type: none"> • Historical challenges in environmental management. • Past failures in compliance with environmental standards. 	<ul style="list-style-type: none"> • Delays in legal processes affecting operations. • Challenges in adapting to legal changes.
Opportunities	<ul style="list-style-type: none"> • Strengthening intergovernmental relations (IGR) • Engagement with local communities for feedback • Strengthening collaboration across programmes and sub-programmes • Building capacity for change management. 	<ul style="list-style-type: none"> • Opportunities for increasing funding through grants. • Growth in partnerships with the private sector. • Leveraging data for economic strategies • Development of new economic initiatives. • Ability to attract top talent. 	<ul style="list-style-type: none"> • Enhanced training programmes for staff. • Development of mentorship programmes. • Increased employee participation in decision-making • Fostering a culture of innovation • Promoting social responsibility among staff. 	<ul style="list-style-type: none"> • Adoption of new technologies for efficiency. • Expansion of e-governance capabilities (e.g employment of data analyst). • Opportunities for knowledge sharing • Investment in IT infrastructure. 	<ul style="list-style-type: none"> • Increased focus on sustainability initiatives. • Potential partnerships for environmental projects. • Funding for eco-friendly initiatives. • Expansion of environmental education programmes. 	<ul style="list-style-type: none"> • Potential for streamlined compliance processes. • Opportunities for legal training. • Simplifying internal compliance processes. • Improved internal policy frameworks • Increased focus on risk management.

	Political	Economically	Socially	Technological	Environmental	Legal
		<ul style="list-style-type: none"> Digital platforms facilitating easier funding applications. 		<ul style="list-style-type: none"> Collaboration with tech firms for solutions. 	<ul style="list-style-type: none"> Strengthening internal compliance mechanisms. 	
Threats	<ul style="list-style-type: none"> Lack of capacity from municipalities leading to service delivery gaps Political instability resulting in loss of donor confidence. Pressure from external stakeholders. 	<ul style="list-style-type: none"> Budget cuts impacting programme delivery. Economic downturns reducing resources. Competition for limited funding Fluctuating market conditions. Dependency on a narrow revenue base. 	<ul style="list-style-type: none"> Resistance to diversity initiatives. Social disparities affecting employee satisfaction. Burnout due to high workload. Difficulty in attracting diverse talent. 	<ul style="list-style-type: none"> Inadequate technological support for project implementation. Cybersecurity threats. Limited adaptability to emerging technologies Insufficient investment in technology upgrades. 	<ul style="list-style-type: none"> Risks associated with climate change. Environmental regulations increasing scrutiny. Lack of disaster preparedness Potential backlash from environmental initiatives. 	<ul style="list-style-type: none"> Legal challenges impacting operations. Increased litigation risk. Complexity in legal compliance affecting decision-making. Fraud and corruption undermining legal processes.

To address its challenges, the Department is implementing several strategic responses. One key area of focus is streamlining bureaucratic processes to foster more agile decision-making, which includes ongoing assessments of administrative workflows to identify and eliminate bottlenecks. Additionally, EDTEA is enhancing its recruitment strategies to fill high vacancy rates in key positions by promoting itself as an employer of choice through partnerships with universities for internships and job fairs. To improve stakeholder engagement, the Department has comprehensive plans that include regular community forums and feedback mechanisms, ensuring that local voices are heard in decision-making processes.

Recognizing the need for technological advancement, EDTEA is rolling out training programmes to upskill staff in emerging technologies, fostering a culture of continuous learning. Furthermore, to address the gender imbalance in senior management, mentorship and leadership development programmes are being introduced, specifically targeting women and underrepresented groups. The Department is also enhancing its communication strategies to build trust with external stakeholders by providing regular updates on its initiatives through newsletters and social media.

To mitigate environmental compliance risks, EDTEA is strengthening its monitoring and enforcement mechanisms while implementing an environmental management system for streamlined compliance processes. Simplifying regulatory compliance procedures is another priority, with efforts underway to enhance clarity and accessibility for staff. Overall, EDTEA is committed to professional development, community engagement, and sustainability initiatives, all aimed at improving operational effectiveness and addressing internal challenges.

8.2.12. Organizational Culture and Change Readiness

The Department fosters a dynamic organizational culture that emphasizes adaptability, continuous learning, and collaboration, promoting readiness for change and enabling the department to respond effectively to evolving challenges and opportunities in economic development, tourism, and environmental affairs.

8.2.12.1. Core Cultural Traits and Values:

EDTEA fosters a culture rooted in collaboration, innovation, and inclusivity. The Department values transparency and accountability, encouraging open communication among employees and stakeholders. This culture emphasizes the importance of service delivery, with a strong commitment to community engagement and sustainable development.

8.2.12.2. Employee Engagement and Morale:

Employee engagement within EDTEA is critical to achieving its strategic outcomes. While there is a strong sense of purpose among staff, challenges such as resource constraints and integration issues

can impact morale. Regular feedback mechanisms and team-building initiatives are essential to enhance engagement and foster a supportive work environment.

8.2.12.3. Change Management Capacity

EDTEA continues to invest in training and fostering transparent communication with its staff. Ensuring resilience and adaptability across various programmes. For effective change management system, the following strategies will be employed: aligning the organizational structure with strategic goals to enhance operational efficiency; clearly communicating the Department's vision, mission, and objectives to align efforts; promoting an organizational culture that embraces change; and ensuring that leaders exemplify desired behaviours to actively drive the change process.

Additionally, developing a compelling business case for change is crucial for garnering support from employees and stakeholders, while coordinated implementation minimizes disruptions and improves outcomes. Capacity building initiatives support those affected by change, alleviating anxiety, and fostering resilience, and strategies for managing resistance facilitate smoother transitions. Continuous communication about the change process is vital for keeping employees informed and engaged throughout the journey. By implementing this comprehensive approach, the Department aims to successfully navigate through the changes, ensuring alignment with strategic goals and enhancing overall organizational capacity.

8.2.12.4. Readiness for Future Transformations:

Despite facing current challenges such as capacity issues and integration problems, the Department is actively cultivating a culture of readiness for future transformations. Recognizing the importance of adaptability, the Department is addressing performance agreement delays and improving meeting coordination to enhance its responsiveness to emerging challenges.

By streamlining these processes, EDTEA aims to improve its agility in a rapidly changing environment. This proactive approach not only helps in mitigating current obstacles but also positions the Department to better anticipate and navigate future transformations. Through targeted initiatives focused on fostering collaboration and communication among stakeholders, EDTEA is laying the groundwork for a resilient organizational culture that embraces change. Ultimately, this commitment to readiness will empower the Department to leverage opportunities and tackle challenges head-on, ensuring sustained progress in achieving its strategic objectives.

8.2.13 Political and Institutional Landscape Overview

The introduction of the Government of National Unity (GNU) in South Africa has profoundly influenced the political landscape in KwaZulu-Natal. By fostering a collaborative political environment that integrates multiple factions into the governing process, the GNU has generally enhanced political stability and facilitated more comprehensive policymaking (South African Government, 2024). This shift has established a more stable framework for implementing economic and environmental policies in our

province. However, the integration of diverse political interests can also create complexities, leading to slower decision-making processes and potential conflicts.

In this context, Departmental programmes have undergone significant changes, and public entities have been re-established to better align with the evolving political framework. Institutional capacity within KZN's key agencies reflects both strengths and challenges in this dynamic environment. Institutions such as EDTEA benefit from the stability provided by the Government of Provincial Unity (GPU), which supports the execution of strategic initiatives like environmental management and economic development. EDTEA in collaboration with the provincial government under the 7th administration will find solutions for impactful service delivery given the current resource constraint.

8.3. DEPARTMENT'S 2030 STRATEGIC PLANNING KEY EMERGING PRIORITIES AND OPPORTUNITIES (FOCUS AREAS)

8.3.1. Inclusive Economic Growth and Job Creation:

- **Enhanced Sectoral Growth:** Expand support for key sectors such as agriculture (agro-processing), manufacturing, mining, and tourism by finalizing and implementing sector-specific master plans.
- **SME and Cooperative Development:** Strengthen support mechanisms for small, medium, and micro enterprises (SMMEs) and cooperatives, especially in township and rural areas, through access to funding, market linkages, and capacity-building initiatives.
- **Youth and Women Empowerment:** Intensify efforts to empower youth, women, and people with disabilities by providing tailored programmes, training, and funding opportunities aimed at fostering entrepreneurship and employment in high-growth sectors.
- **Reduce Vacancy Rate:** Address human capital shortfalls to ensure the Department's strategic goals and outcomes are achieved by reducing the vacancy rate.
- **Gender Equality in Senior Management Service (SMS):** Increase the recruitment of females in SMS positions in alignment with the Gender Equality Strategic Framework.
- **Persons with Disabilities (PWDs) Representation:** Increase the recruitment of PWDs in the Department in accordance with the Job Access Strategy.

8.3.2. Re-Industrialization and Localization

- **Industrial Park Modernization:** Modernize existing industrial parks and develop new industrial zones, focusing on technology advancement and promoting local manufacturing capabilities.
- **Local Procurement and Beneficiation:** Advocate for increased local procurement of goods and services and promote the beneficiation of minerals to boost the value of local exports and create sustainable jobs.
- **Strategic Investments:** Facilitate investment in labour-intensive industries and infrastructure projects that enhance local production capabilities and contribute to regional economic development.

8.3.3. Infrastructure Investment and Job Creation

- **Regional Connectivity Enhancement:** Invest in energy, and communication infrastructure in underserved areas to improve regional connectivity and support economic activities.
- **Public-Private Partnerships (PPPs):** Simplify regulatory frameworks to attract private sector participation in infrastructure projects, particularly in energy.
- **Sustainable Infrastructure Development:** Promote the use of sustainable and resilient infrastructure that aligns with environmental sustainability and climate change adaptation goals.

8.3.4. Climate Change and Environmental Sustainability

- **Comprehensive Climate Change Strategy:** Implement a province-wide climate change adaptation and mitigation strategy focusing on renewable energy, sustainable land use, and ecosystem conservation.
- **Disaster Management and Resilience Building:** Contribute to the development and implementation of disaster management plans, conduct community training programs, and strengthen the resilience of communities to climate-related risks.
- **Green Economy Promotion:** Invest in the green economy, including renewable energy projects, circular economy initiatives, and low-carbon technologies, to create new job opportunities and promote environmental sustainability.
- **Just transition to low carbon economy:** coordinate the implementation of sectoral measures that promote low carbon economy, innovative initiatives, economic opportunities for all.

8.3.5. Enabling Investment and Competitiveness

- **Reducing Red Tape:** Implement targeted measures to reduce administrative and regulatory burdens for businesses, promoting a conducive environment for investment and entrepreneurship.
- **Blended Finance and Market Access:** Increase access to blended finance for emerging farmers and small businesses and expand market access through trade agreements and partnerships.
- **Economic Diplomacy:** Enhance economic diplomacy efforts to strengthen trade relations with key global partners and promote the province as a competitive destination for investment and tourism.

8.3.6. Tourism Development and Enhancement

- **Tourism Infrastructure Development:** Invest in tourism infrastructure, including the development of new attractions and the enhancement of existing sites, to improve the tourism experience and drive growth in the sector.
- **Community-Based Tourism Initiatives:** Promote community-based tourism models that involve local communities in tourism planning and development, ensuring that tourism benefits are widely shared.
- **Marketing and Promotion:** Implement aggressive marketing strategies to position KwaZulu-Natal as a top tourism destination, focusing on both domestic and international markets.

8.3.7. Empowerment and Transformation

- **Broad-Based Black Economic Empowerment (B-BBEE):** Strengthen the implementation of B-BBEE policies and initiatives to promote economic transformation and support the participation of previously disadvantaged groups in the economy.
- **Support for Vulnerable Groups:** Allocate resources and implement programs specifically designed to support military veterans, youth, women, and people with disabilities, ensuring their inclusion in economic opportunities.
- **Skills Development and Training:** Expand skills development and training programs aligned with the needs of high-growth sectors, promoting the development of a skilled and capable workforce.

8.3.8. Improved Governance and Service Delivery

- **Public Service Professionalization:** Implement the National Framework for Professionalization to enhance public service efficiency and improve career management.
- **Local Government Reform:** Support local government reform to stabilize governance, improve financial sustainability, and enhance service delivery, particularly in underperforming municipalities.
- **Consequence Management:** Strengthen consequence management systems within the Department to enhance accountability, compliance, and the timely submission of performance agreements.

8.3.9. Science, Technology, and Innovation for Growth

- **Digital Transformation:** Promote the adoption of advanced manufacturing technologies, digital skills training, and innovation to enhance the competitiveness of key economic sectors.
- **Research and Development (R&D):** Invest in research and development initiatives that drive innovation in key industries, foster collaboration with academic institutions, and support the commercialization of new technologies.
- **Youth Digital Skills Training:** Expand digital skills training programs for youth, preparing them for employment opportunities in the digital economy and enhancing their participation in high-tech sectors.

8.3.10. Regional and Sectoral Investment Priorities

- **Strategic Sectoral Investments:** Prioritize investment in strategic sectors such as agriculture, manufacturing, tourism, and renewable energy to drive economic growth and create sustainable employment opportunities.
- **Regional Development Focus:** Promote balanced regional development by identifying and supporting high-potential areas for industrial and economic growth, including underserved and rural communities.

- **Special Economic Zones (SEZs) and Industrial Hubs:** Develop and expand SEZs and industrial hubs, focusing on enhancing infrastructure, attracting investment, and promoting export-oriented industries.

In conclusion, the Department is strategically positioning itself to address the complex challenges of economic transformation, job creation, and sustainable development in KwaZulu-Natal. Through targeted interventions that emphasize inclusive growth, infrastructure investment, environmental sustainability, and innovation, the Department aims to create a resilient and diversified economy that benefits all citizens. The 2030 Strategic Plan reflects a commitment to fostering a capable and ethical state, promoting socio-economic empowerment, and enhancing service delivery across the province. By leveraging partnerships, improving governance, and prioritizing regional and sectoral investments, EDTEA is poised to drive meaningful progress and unlock the potential of key sectors such as tourism, manufacturing, and the green economy.

As the Department moves forward, its focus on reducing inequality, empowering marginalized communities, and promoting sustainable development will be crucial in building a thriving, inclusive, and resilient provincial economy that aligns with national priorities and contributes to a better South Africa.

PART C: MEASURING OUR PERFORMANCE

9. Institutional Performance Information

9.1 Impact statement

Impact statement	Inclusive economic growth through vibrant trade, investment, and tourism, all while championing environmental sustainability and climate resilience.
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9.2 Measuring Our Outcomes

MTDP Strategic Priority 1	Inclusive economic growth and job creation		
Problem statement	Weak economic growth has hampered inclusion, the reduction of unemployment, poverty and inequality; the province have been further hit by the triple external shocks which has affected the socio-economic profile of the KZN economy.		
Outcome	Outcome Indicator	Baseline	Five-year target
Increased employment and work opportunities	9.2.1.1 Number of youth employment opportunities created through the Expanded Public Works Programme	4 511	22 555
Accelerated growth of industrial and labour-intensive sectors	9.2.2.1 Number of mini factories established	New	3
	9.2.2.2 Number of infrastructure initiatives supported	New	5
	9.2.2.3 Percentage growth for exports in national priority sectors	4%	8%
Increased infrastructure investment, access and efficiency	9.2.3.1 Number of jobs created in the Energy sector targeting underserved areas	New	10 000
Increased Investment, Trade, and tourism	9.2.4.1 Percentage of provincial GDP generated by the tourism sector, including direct, indirect, and induced impacts	6.9%	9.9%

9.3 Explanation of Planned Performance over the Five-Year Planning Period

The table below outlines a theory of change aimed at fostering a dynamic and inclusive economy through enabling investment, trade, tourism, and economic transformation. By facilitating a supportive environment for economic growth, promoting sustainable tourism, and ensuring environmental stewardship, the interventions seeks to achieve increased employment, infrastructure investment, and improved public sector trust while enhancing competitiveness and sectoral growth.

Table: Provincial Outcomes Based on the Medium-Term Development Plan (MTDP)

Outcomes (Means to an End)	Outcomes (Desired End)	Theory of Change (High Level)
Enabling environment for investment and improved competitiveness	Increased employment and work opportunities	<p>IF the ideal future state (vision) is a dynamic and inclusive economy that enables growth and development, fosters vibrant tourism and nurtures a sustainable environment.</p> <p>THEN we will achieve this (mission) by enabling inclusive economic transformation, growth and development through trade, investment and tourism while ensuring sound environmental management and climate resilience.</p>
Economic transformation for a just society	Accelerated growth of industrial and labour-intensive sectors	
A dynamic science, technology and innovation ecosystem for growth	Increased infrastructure investment, access and efficiency	<p>WE EXIST (public value statement) as the EDTEA because the public expects us to enhance the quality of life for the people of KwaZulu-Natal by enabling inclusive economic growth, environmental sustainability, climate resilience and sustainable tourism.</p> <p>WE SHALL fulfil our mandate (value proposition) by facilitating and enabling a conducive environment for economic growth, trade, and investment while monitoring and ensuring compliance with an ethical and consumer-protected environment.</p> <p>WE SHALL ensure that our safe and inclusive tourism environment celebrates our natural resources, cultural heritage, local cultures and traditions whilst enjoying eco-friendly experiences. We shall further ensure that local economies and ecosystems practice social responsibility and environmental stewardship.</p>
Energy security and a Just Energy Transition		
Improved trust in the public sector		
Improved trust in local government		
Supportive Economic Policy Environment	Increased Investment, Trade, and Tourism	

Table: Contribution of Strategic Interventions towards the achievement of job creation, industrial growth, infrastructure investment, and enhanced trade and tourism

Outcome	Intervention	Outputs	Contribution towards achieving outcome
Increased employment and work opportunities	<p>Implement Environmental Public Employment Programmes (EPWP) to provide jobs in sectors like invasive alien species (IAS) removal, waste management, land rehabilitation, and eco-tourism infrastructure.</p> <p>Develop targeted training programmes focused on environmental skills such as IAS eradication, waste management, land restoration, and eco-tourism development.</p> <p>Establish partnerships with local communities and environmental organizations to create work opportunities in priority areas, particularly in rural or underserved regions.</p> <p>Incorporate climate resilience strategies in project designs, ensuring that job creation activities support both environmental sustainability and community adaptation to climate change.</p>	<ul style="list-style-type: none"> • Job creation through Environmental Public Employment Programmes (EPWP) • Training beneficiaries on IAS eradication techniques • Clearing hectares of invasive species • Creating Full-Time Equivalent (FTE) positions 	<p>Public employment programmes, particularly the EPWP, create direct job opportunities, especially for marginalized groups such as youth, women, and people with disabilities. By targeting sectors like environmental conservation, EPWP reduces unemployment while providing pathways to economic participation. These programmes combine practical skills training in critical areas such as IAS removal, waste management, and eco-tourism development, thereby enhancing participants' employability. Through land rehabilitation and waste management projects, EPWP helps preserve natural resources and ecosystems, contributing to the long-term sustainability of the environment. The focus on inclusivity within these programmes ensures equitable access to job opportunities, promoting economic participation across socio-economic groups. The integration of climate resilience into the projects allows communities to better adapt to climate change impacts, reinforcing the importance of sustainability and preparing for</p>

Outcome	Intervention	Outputs	Contribution towards achieving outcome
			future environmental challenges. Additionally, by creating Full-Time Equivalent (FTE) positions and clearing large areas of invasive species, these programmes address both employment and environmental sustainability, furthering the green economy.
Accelerated growth of industrial and labour-intensive sectors	<p>Installation of Solar PV Panels in government buildings to promote clean energy and reduce reliance on non-renewable sources.</p> <p>Developing and installing small biogas digesters in rural areas to generate renewable energy from organic waste, empowering rural communities.</p> <p>Establishment of Techno Hubs to foster innovation, support start-ups, and create technology-driven job opportunities.</p> <p>Provision of Fish Processing Facilities to increase local fish processing capacity and create employment opportunities in coastal regions.</p> <p>Aquaculture Projects Development to boost local fish production, enhance food</p>	<ul style="list-style-type: none"> • Solar PV Panels installed in government buildings. • Biogas digesters installed in rural areas, generating renewable energy from organic waste. • Techno Hubs established to foster innovation and create technology-based jobs. • Fish processing facilities established, and Aquaculture projects launched, boosting fish production and creating employment. • Upgraded airport infrastructure, improving transport and stimulating regional development. • Clothing and textile incubation centre established. 	The interventions target industrial transformation through job creation, infrastructure development, and sectoral innovation. By installing Solar PV Panels and developing Biogas Digesters, renewable energy projects promote sustainable growth, while simultaneously creating green jobs, especially in rural areas. The creation of Techno Hubs drives technological innovation, spurring new businesses and expanding the digital economy. Fish Processing Facilities and Aquaculture Projects directly address food security, regional development, and job creation in coastal and rural communities. Airport Infrastructure Upgrades provide critical support to regional economic growth, improving connectivity and access to markets. Clothing, Textile, and Leather Hubs stimulate growth in the manufacturing sector, driving job creation and

Outcome	Intervention	Outputs	Contribution towards achieving outcome
	<p>security, and create jobs in rural and coastal areas.</p> <p>Upgrade Airport Infrastructure at Margate, Prince Mangosuthu, Richards Bay, Pietermaritzburg, and Mkhuze Airports to improve air transport and stimulate regional economic growth.</p> <p>Establishment of a Clothing and Textile Incubation Centre to support emerging fashion and textile businesses.</p> <p>Establish a Leather Processing Hub in Plessislaer, Pietermaritzburg to support the leather manufacturing sector.</p> <p>Designation of the Ezakheni Clothing and Textile SEZ at the Ezakheni Ithala Industrial Estate (uThukela) to support the textile sector and create new employment opportunities.</p>	<ul style="list-style-type: none"> Leather Processing Hub established, supporting local manufacturers and job creation. Ezakheni Clothing and Textile SEZ established, stimulating sectoral growth and employment. Cannabis/hemp processing facilities developed and operationalized. 	<p>supporting local industries. The Ezakheni Clothing and Textile SEZ supports industrial activity by creating a dedicated zone for textile manufacturing. Strategic frameworks such as the KZN Cotton Manufacturing Strategy and MRO Market & Feasibility Study foster sectoral transformation and local industrial development. The Cannabis/Hemp Commercialisation Programme supports small businesses in the cannabis/hemp sector, creating new economic opportunities. Finally, Industry Clusters enhance competitiveness by providing targeted support to growing sectors, ensuring that they remain dynamic, competitive, and resilient. These interventions create an integrated and diversified industrial economy, fostering long-term sustainable growth.</p>
Increased Investment, Trade, and Tourism	<p>Support small enterprise growth through key stages: identification and selection, incubation, growth, market access, and graduation with continued support.</p> <p>Provide business training, capacity building, and advisory services targeting</p>	<ul style="list-style-type: none"> Women and youth business empowerment initiatives launched in priority sectors. Black industrialists and black-owned businesses received 	<p>The interventions will contribute to achieving increased investment, trade, and tourism by providing targeted support to key sectors such as Manufacturing, ICT, Renewable Energy, and Tourism. They will promote regional trade through the KZN Export Competitiveness</p>

Outcome	Intervention	Outputs	Contribution towards achieving outcome
	<p>sectors such as manufacturing, ICT, renewable energy, tourism, textile & clothing, and agro-processing.</p> <p>Address municipal barriers, support informal traders, and formalize spaza shops and illegal liquor businesses.</p> <p>Facilitation of Stakeholder coordination through the KZN Growth Coalition and KZN Economic Council.</p> <p>Promote trade and tourism, with assessments on infrastructure, electric vehicle ecosystems, and industrial parks to support regional economic growth.</p>	<p>operational support and market access.</p> <ul style="list-style-type: none"> • B-BBEE enforcement partnerships created to ensure effective policy enforcement. • Municipal informal infrastructure projects funded to support informal businesses. • Municipal employment initiatives (MEI) funded. • Municipal red tape interventions implemented to streamline business processes. • Municipalities assisted with digital technology to facilitate business licenses and informal trader permits. • Trade and investment structures funded to help companies expand exports and attract investment. • Tourism products supported • Economic research projects funded. 	<p>Programme, create a favourable business environment through capacity building and municipal support, and facilitate trade and investment opportunities via strategic partnerships and trade missions. Additionally, the interventions will support the implementation of the Provincial Tourism Masterplan, fostering tourism development, improving tourism infrastructure, and encouraging investment in the sector. By addressing infrastructure gaps and promoting sectors with high growth potential, the intervention will help boost regional investment and attract more trade and tourism opportunities.</p>

Outcome	Intervention	Outputs	Contribution towards achieving outcome
Increased infrastructure investment, access and efficiency	<p>Development and renovation of Shared Production and Incubation Facilities across the province.</p> <p>Development and renovation of Municipal Informal Economy Infrastructure like traders' stalls, business hubs, mechanical workshops</p> <p>Airport Infrastructure Upgrades</p> <p>Tourism Facility Upgrades and Developments.</p> <p>Support for Retail Development</p>	<ul style="list-style-type: none"> • Business infrastructure provided for small enterprises • Municipal informal infrastructure projects funded • Infrastructural projects funded to stimulate job creation • District One Stop Shops Funded • Tourism products supported • Permitted landfill sites monitored for compliance • Environmental authorisation permits issued within legislated timeframes (EIA) • Hectares cleared of invasive species • Estuarine management plans developed 	<p>These interventions will significantly contribute to increased infrastructure investment, access, and efficiency by developing shared production facilities, enhancing municipal infrastructure, and upgrading key transportation hubs. The creation of incubators and shared spaces for various industries, such as textiles, chemicals, and food, will foster growth while improving access to essential resources for small enterprises. Upgrading airports and tourism facilities will enhance connectivity, making the region more accessible for both business and tourism. Additionally, the development of informal business hubs and infrastructure, including trader stalls and service facilities, will improve operational efficiency and create more inclusive economic opportunities. Together, these initiatives will strengthen the KZN's infrastructure, streamline access, and support long-term economic growth.</p>

b) The rationale for the choice of the outcome indicators relevant to the respective outcomes.

Each indicator is chosen to provide quantifiable data that reflects the department's performance in key areas such as job creation, economic growth, and environmental sustainability. For each outcome, the indicators measure specific actions and outputs that directly contribute to the overall goals. For instance, in the case of increased employment and work opportunities, indicators such as job creation through EPWP, training beneficiaries on IAS eradication, and clearing hectares of invasive species measure both the quantity and quality of work created, as well as the environmental impact. These indicators are relevant because they directly reflect the intervention's success in reducing unemployment, enhancing employability, and contributing to environmental sustainability.

Similarly, the indicators for accelerated growth in industrial and labour-intensive sectors, such as the development of Fish Processing Facilities, Processing hubs, Technological hubs, SEZ, and small biogas digesters in rural areas directly measure the infrastructure and industrial projects' contribution to job creation, regional development, and the green economy. By tracking these outputs, the Department can evaluate its impact on industrial transformation and long-term sustainable growth.

c) Explanation of enablers to achieve the five-year targets.

The enablers identified for achieving the five-year targets of the Department are rooted in strategic initiatives and frameworks that support sustainable economic development. Governance improvement strategies, such as the implementation of the Risk Management Policy (2023), provide a foundation for better managing risks and ensuring transparency and accountability. Regular audits and compliance checks further reinforce these efforts to safeguard Departmental assets and uphold good governance practices. Effective stakeholder engagement is another critical enabler, as it fosters collaboration with public and private sector partners, as well as local communities. This inclusive approach ensures that diverse perspectives are incorporated into decision-making, creating a shared sense of responsibility and commitment to achieving the department's outcomes. Additionally, capacity building and training initiatives aimed at enhancing the skills of both the workforce and external stakeholders are essential for empowering individuals to contribute meaningfully to the economic development process.

Resource mobilization is also a vital enabler, with EDTEA exploring strategic partnerships with private sector entities and community organizations to secure the necessary funding and support for various economic development projects. Infrastructure development plays a key role by enhancing transportation, energy, and communication networks, particularly in underserved regions, thus improving regional connectivity and supporting economic activities. Alignment with national and provincial policies ensures that Departmental strategies are in sync with broader development objectives, amplifying their impact. The Department's focus on inclusivity, especially through programmes that empower marginalized groups, fosters a more diverse and resilient economy, addressing social equity concerns and ensuring that no one is left behind in the pursuit of economic growth. These enablers collectively create a solid foundation for achieving the Department's targets, driving inclusive and sustainable development across the province.

d) Explanation of the outcomes' contribution to the achievement of the impact.

The Department plays a crucial role in achieving the overall impact of fostering inclusive economic growth, enhancing trade, investment, and tourism, while championing environmental sustainability and climate resilience.

- 1. Increased Employment and Work Opportunities:** One of the primary outcomes is the creation of increased employment opportunities, particularly through initiatives like the Expanded Public Works Programme, which aims to create 22,555 youth employment opportunities. This directly addresses the high unemployment rates in the province, contributing to poverty reduction and economic stability. By providing jobs, the Department enhances the quality of life for citizens, which is a key aspect of the overall impact.
- 2. Accelerated Growth of Industrial and Labour-Intensive Sectors:** The establishment of mini factories and support for infrastructure initiatives are targeted actions that aim to stimulate industrial growth. By focusing on sectors that can absorb a large workforce, the Department not only drives economic growth but also ensures that the benefits of this growth are widely distributed, thereby reducing inequality and fostering a more inclusive economy.
- 3. Increased Infrastructure Investment:** The outcome also emphasizes the importance of infrastructure investment, which is essential for improving access and efficiency in various sectors. Enhanced infrastructure facilitates trade and investment, making KwaZulu-Natal a more attractive destination for businesses. This, in turn, leads to job creation and economic development, aligning with the department's impact goals.
- 4. Investment, Trade, and Tourism Growth:** The outcome related to increasing investment and trade, particularly through the implementation of the African Continental Free Trade Area (AfCFTA), aim to boost exports and attract foreign direct investment. By enhancing the province's trade capabilities, the Department contributes to economic resilience and growth, which are vital for achieving the overarching impact of sustainable development.
- 5. Environmental Sustainability and Climate Resilience:** The commitment to environmental management and sustainability is reflected in the outcomes that focus on promoting green practices and climate resilience. By integrating environmental considerations into economic planning, the department ensures that growth does not come at the expense of the province's natural resources, thereby supporting long-term sustainability.

The outcomes collectively contribute to the achievement of the overall impact. They create a dynamic and inclusive economy that not only addresses immediate socio-economic challenges but also lays the foundation for sustainable development in KwaZulu-Natal, aligning with national priorities and contributing to a better South Africa.

10. Key Risks and Mitigation

The Department is committed to effective risk management by regularly reviewing its risk appetite and tolerance to ensure alignment with its outcomes. The table below outlines the strategic risks, their root causes or consequences, and the mitigation measures in place to address them, helping the Department achieve its outcomes.

Table: Summary of Key Risks and Mitigation Strategies related to MTDP Priority 1 and 3.

Outcome	Strategic Risk	Root Cause / Consequence	Risk Mitigation
Increased employment and work opportunities	High unemployment rates, especially among youth, due to insufficient job creation	Limited job creation in vulnerable sectors.	Optimize public employment programmes (e.g., EPWP).
		Limited training and development opportunities.	Redesigning EPWP to focus on training, development, and converting opportunities into permanent jobs.
Accelerated growth of industrial and labour-intensive sectors	Slow industrial growth and insufficient localization	Limited support for labour-intensive sectors like agriculture and manufacturing.	Drive sector-specific master plans and strengthen industrial policy incentives.
		Insufficient eco-tourism initiatives and conservation efforts.	launching new eco-tourism initiatives and focusing on poaching reduction.
		Over-dependence on raw commodity exports rather than processed goods.	Focus on mineral processing to export finished products, not raw commodities.
		Limited market access for emerging farmers due to financial and trade barriers.	Increase access to blended finance and expanding market access through trade agreements.
Increased infrastructure investment, access, and efficiency	Delays and inefficiencies in infrastructure projects, particularly in underserved areas	Delays in infrastructure projects due to ineffective planning and coordination.	Simplify public-private partnership regulations to fast-track approvals and implementation.
		Insufficient funding for infrastructure projects, particularly in underserved areas.	Prioritize investment in underserved areas, focusing on high-impact and essential infrastructure.
		Energy supply instability due to over-reliance on non-renewable sources.	Continue to implement the Energy Action Plan for long-term energy security and by strengthening transmission networks.
		Lack of institutional capacity in training workers for energy transition sectors.	Build institutional capacity in educational institution to train and test youth for high-demand skills in the energy sector.
		Increased environmental degradation and non-compliance with regulations.	Conceptualize E-Advocacy and awareness programmes to improve environmental protection efforts.

Outcome	Strategic Risk	Root Cause / Consequence	Risk Mitigation
		Resistance to low-carbon transition from local industries and stakeholders.	Engage stakeholders in the Just Energy Transition Investment Plan.
		Inequitable distribution of resources and services due to poor governance.	Enhance governance and transparency in local service delivery to ensure equitable resource allocation.
		Lack of accountability in local government, leading to mismanagement of resources.	Reform local governance structures and funding models to ensure better accountability and efficiency.
		Corruption and inefficiency in public service affecting infrastructure projects.	Implement the National Framework for Professionalization, which will strengthen accountability and reduce corruption.
		Stagnation in science, technology, and innovation capabilities due to lack of investment and infrastructure.	Growing KZN's science, technology, and innovation capabilities and promoting digital platforms for economic growth.
Increased investment, trade, and tourism	Stagnation in investment, trade, and tourism growth	Slow investment and competitiveness growth due to regulatory inefficiency.	Mainstream red tape reduction and streamlining support for small businesses and entrepreneur.
		Limited growth in exports and trade due to lack of integration in African markets.	Prioritize AfCFTA implementation to increase exports to Africa.
		Macroeconomic instability and fiscal unsustainability.	Ensure that KZN's economic policies support growth and employment, stabilizing debt for fiscal sustainability.
		Economic inequality and lack of opportunities for historically disadvantaged groups.	Support sustained broad-based black economic empowerment initiatives to foster inclusion and growth.
		Slow pace of economic transformation.	Prioritise investment in Tourism, SMME support and local enterprise development.
		Noncompliance with regulatory frameworks and violation of consumer protection laws.	Enhance compliance and consumer protection measures.

11. Public Entities

#	Name of Public Entity	Mandate	Outcomes	Five-Year Budget Estimate (R '000)
1.	KwaZulu-Natal Growth Fund Agency (KZNGFA)	To accelerate Broad-Based Black Economic Empowerment (B-BBEE), job creation, and economic growth in the province through a public-private partnership that finances medium to large private sector projects, focusing on catalytic investments in impact industries.	Accelerated growth of industrial and labour-intensive sectors	237,735
2.	Ezemvelo KwaZulu-Natal Wildlife (EKZNW)	To manage nature conservation within KwaZulu-Natal, as outlined in the KwaZulu-Natal Nature Conservation Management Act (Act No. 9 of 1997), which includes overseeing protected areas and promoting the development of ecotourism facilities within these areas.	Increased employment and work opportunities	4,864,1133
3.	Dube TradePort Corporation (DTPC)	To facilitate the development of a world-class aviation-linked export platform, serving as a catalyst for private sector investment and sustainable employment creation through strategic planning, design, construction, operation, and management of the Dube TradePort Special Economic Zone.	Increased infrastructure investment, access and efficiency	2,539,934
4.	Richards Bay Industrial Development Zone (RBIDZ)	To create an industrial complex with strategic economic advantages, attract significant investments, and develop resource-intensive industries. And, to promote local industry integration, generate employment and social benefits, ensure compliance with national policies, provide quality infrastructure for export-oriented businesses, and prioritize socio-economic improvement and sustainability over financial profit.	Increased infrastructure investment, access and efficiency	686,494
5.	KwaZulu-Natal Tourism and Film Authority (KZNTAFA)	To market and promote the tourism and audio-visual industries while facilitating their development and creating an enabling environment for sustainable growth and job creation. Additionally, it shall address historical imbalances in infrastructure and the distribution of skills and resources within these sectors throughout the province.	Increased investment, trade, and tourism	1,325,866
6.	Ithala Development Finance	To mobilize financial resources and provide supportive services to the people of KwaZulu-Natal, plan and monitor development projects, promote the	Increased investment, trade, and tourism	404,724

#	Name of Public Entity	Mandate	Outcomes	Five-Year Budget Estimate (R '000)
	Corporation (IDFC)	development of human resources and infrastructure, facilitate private sector investment and community participation in development initiatives, and act as the government's agent for efficiently executing development-related tasks.		
7.	KwaZulu-Natal Economic Regulatory Authority (KZNERA)	To regulate and promote economic empowerment within the liquor and gambling industries in KwaZulu-Natal, as established by the KZN Liquor Licensing Act 6 of 2010 and the KZN Gaming and Betting Act of 2010.	Increased investment, trade, and tourism	754,487
8.	KwaZulu-Natal Sharks Board (KZNSB)	To lead global efforts in bather protection against sharks while minimizing environmental impact and promoting tourism. Maintain and operate 37 beaches along the KwaZulu-Natal coastline, ensuring the highest standards of safety for all beachgoers through the deployment of advanced protective measures.	Increased Investment, Trade, and Tourism	380,232
9.	Moses Kotane Research Institute (MKRI)	To deliver internationally recognized, high-quality research that drives economic development and innovation in the province. And provide timely and accurate research to support the achievement of radically transformed, inclusive, and sustainable economic growth through partnerships with public and private sectors, while being primarily funded by EDTEA and other stakeholders.	Increased Investment, Trade, and Tourism	307,042
10.	Trade and Investment KwaZulu-Natal (TIKZN)	To promote, brand, and market KwaZulu-Natal as a premier investment destination; facilitate trade by helping local companies access international markets; identify, develop, and package investment opportunities in the province; provide professional services to all clientele; retain and expand trade and export activities; and align opportunities with the developmental needs of the KwaZulu-Natal community.	Increased Investment, Trade, and Tourism	541,699

PART D: TECHNICAL INDICATOR DESCRIPTIONS (TIDs)

Indicator Title	9.2.1.1 Number of youth employment opportunities created through the Expanded Public Works Programme
Definition	The indicator tracks the creation of 22,555 work opportunities within environmental public employment initiatives, focusing on youth, women, and people with disabilities. These opportunities are part of environmental conservation efforts, including Invasive Alien Species Clearing, waste management, land rehabilitation, and eco-tourism infrastructure development. The indicator aims to promote sustainable economic growth by generating green jobs, supporting environmental sustainability, and contributing to socio-economic transformation, in line with the mission of the Department.
Source of data	Beneficiaries certified copy of ID signed contract, daily time sheets. EPWP Reporting system generated reports and or DPWI approved manual data
Method of Calculation	Actual count
Assumptions	<ul style="list-style-type: none"> • Adequate funding and resources will be allocated to meet the target of 22,555 work opportunities. • Relevant environmental projects will be available and sustainable for employment creation. • There will be sufficient demand and participation from youth, women, and people with disabilities. • Government support and inter-departmental coordination will be effective in implementing and maintaining these programmes. • Successful implementation of environmental conservation projects (such as invasive alien species removal and eco-tourism infrastructure development) will continue as planned.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> • Women: 60% • Youth: 55% • People living with disability: 2%
Spatial Transformation	Mkhambathini, Mshwathi, Msunduzi, Gudlintaba, Mashingeni, Inkosi Langalibalele, Van Reenen, Umvoti, Kwa-Maphumulo, Mandeni, Ndwedwe, Mgundeni, Greater Kokstad, NDZ, Ubuhlebezwe, Edresini, Umzimkhulu Umdoni, Umzi-Wabantu, Ray Nkonyeni, Umzumbe Trail, Osca, Umfolozi, Mthonjaneni, Mhlathuze, Nkandla, Umlalazi, Big 5 Hlabisa, Mdletsheni, False Bay, Umhlaba Uyalingana, Ingwavuma, Thobothini, Mvutshini, Mtubatuba, Pongola, Kwamnyathi, Abaqulusi, and Edumbe, etc
Reporting Cycle	Annually
Desired performance	22,555 work opportunities created, with a focus on increasing participation from youth, women, and people with disabilities.
Indicator Responsibility	Chief Director: Environmental Management

Indicator Title	9.2.2.1 Number of mini factories established
Definition	This indicator tracks the number of small-scale manufacturing facilities (mini factories) established in KwaZulu-Natal. The aim is to stimulate local economic growth, encourage entrepreneurship, and generate sustainable job opportunities across various industries by fostering the development of flexible, low-capital production units.
Source of data	Technical Reports/Reports (Implementation Reports/Progress Reports)
Method of Calculation	Actual Count
Assumptions	<ul style="list-style-type: none"> • There is consistent and accurate reporting and registration of newly established mini factories. • Policy and financial support (e.g., grants, tax incentives) are provided to encourage mini factory establishments. • The business environment supports entrepreneurship and small-scale manufacturing. • Adequate infrastructure (e.g., power, roads, technology) is available for mini factory operations.
Disaggregation of Beneficiaries	Target for women-owned businesses: 50% Target for Youth: youth-owned businesses 60%
Spatial Transformation	Province wide
Reporting Cycle	Annual
Desired performance	Establish 3 mini factories with a focus on sustainability, local economic development, job creation, and regional industrialization.
Indicator Responsibility	ADDG: Trade, Sector and Tourism Development

Indicator Title	9.2.2.2 Number of infrastructure initiatives supported
Definition	The number of infrastructure initiatives supported refers to the total count of projects or developments related to infrastructure (such as airports, tourism hubs, processing centres, etc.) that have received assistance, either through funding, technical support, or policy facilitation. This includes both new projects and ongoing ones that are part of broader regional or sectoral development plans aimed at improving accessibility, economic growth, and social services in specific districts. The initiatives should contribute to spatial transformation and regional development by enhancing local economies, creating jobs, fostering tourism, or providing necessary infrastructure to drive long-term sustainable development.
Source of data	Technical Reports/Reports (Implementation Reports/Progress Reports)
Method of Calculation	Actual
Assumptions	<ul style="list-style-type: none"> • All infrastructure initiatives included in the count are either under

	<p>development, in the process of enhancement, or have been completed within the reporting period.</p> <ul style="list-style-type: none"> • Each infrastructure project must have tangible, measurable outcomes in terms of beneficiary impact, such as job creation, improved access to services, or increased tourism. • The data reflects accurate and verified records from project monitoring and reporting systems, with proper tracking mechanisms in place for each supported initiative. • External factors such as political changes, economic fluctuations, or unforeseen challenges (e.g., natural disasters) do not significantly affect the progress or completion of the initiatives within the year.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Ugu District (Margate Airport), Zululand District (Prince Mangosuthu Airport, Thokazi Royal Lodge,), uMgungundlovu District (Pietermaritzburg Airport, Leather Processing Hub, Howick Falls and Mpophomeni Tourism Precinct), King Cetshwayo District (Richards Bay Airport), UMkhanyakude District (Mkhuze Airport), Amajuba District (Clothing and Textile Incubator, Balele Game Park), Ilembe District (KwaShushu Hotsprings & Ntunjambili) and more
Reporting Cycle	Annual
Desired performance	Support 5 infrastructure initiatives
Indicator Responsibility	ADDG: Trade, Sector and Tourism Development

Indicator Title	9.2.2.3 Percentage growth for exports in national priority sectors
Definition	This indicator measures the percentage growth in exports from national priority sectors, which are identified as key areas for economic development and competitiveness. Tracking export growth in these sectors provides insights into the effectiveness of trade policies and initiatives aimed at boosting international trade, enhancing economic diversification, and increasing foreign exchange earnings.
Source of data	National export statistics from the Department of Trade, Industry and Competition (DTIC), Trade reports from customs authorities and Surveys of businesses within priority sectors
Method of Calculation	$\text{Percentage Growth} = \left(\frac{\text{Exports}_{\text{current year}} - \text{Exports}_{\text{previous year}}}{\text{Exports}_{\text{previous year}}} \right) \times 100$
Assumptions	<ul style="list-style-type: none"> • Continued demand for products from national priority sectors in international markets. • Stability in trade policies and agreements that facilitate exports. • Accurate and timely reporting of export data from relevant agencies. • No significant disruptions affecting production or logistics.

Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Province wide
Reporting Cycle	Annual
Desired performance	Achieve an 8% growth in exports from national priority sectors.
Indicator Responsibility	ADDG: Trade, Sector and Tourism Development

Indicator Title	9.2.3.1 Number of jobs created in the Energy sector targeting underserved areas
Definition	This indicator tracks the number of jobs created in the energy sector, specifically targeting underserved areas, in line with South Africa's goal of improving energy security and achieving a just energy transition. It encompasses the implementation of the Energy Action Plan for long-term energy security, the Just Energy Transition Investment Plan (JET-IP) to support a low-carbon economy, and the enforcement of the Climate Change Act. Key projects include the Richards Bay Industrial Development Zone (Energy Hub), joint LNG investments, and clean energy initiatives in districts like Harry Gwala and Ugu, with a target of creating over 1,200 job opportunities for the 2024/25 fiscal year. Additionally, projects like Solar PV Panel installations and Biogas Digesters for rural areas contribute to the broader goal of creating 10,000 new jobs in the energy sector, supporting affected communities and workers while promoting economic transformation and social inclusion in historically disadvantaged areas.
Source of data	Data collected through project reports, job creation statistics, and relevant programme 3 reports/updates.
Method of Calculation	Actual Count
Assumptions	<ul style="list-style-type: none"> • Adequate funding and investment will be available for energy projects in underserved areas. • Local communities and stakeholders will actively participate and support the energy projects. • Necessary policies and regulations, including the Climate Change Act and JET-IP, will be enforced to support the energy transition.
Disaggregation of Beneficiaries	Target for Women: 40% Target for Youth: 60% Target for PDI: 2%
Spatial Transformation	KwaZulu-Natal, particularly in the Harry Gwala, Amajuba, Zululand, uMkhanyakude, uMzinyathi and Ugu districts. Additionally, significant initiatives are taking place in the Richards Bay region, which serves as an energy hub.
Reporting Cycle	Annual

Desired performance	A total of 10,000 new jobs created in the energy sector by the end of the strategic planning cycle.
Indicator Responsibility	ADDG: Trade, Sector and Tourism Development

Indicator Title	9.2.4.1 Percentage of provincial GDP generated by the tourism sector, including direct, indirect, and induced impacts
Definition	This indicator measures the percentage growth of the tourism sector's contribution to the overall Gross Domestic Product (GDP), including direct, indirect, and induced impacts. It reflects the economic impact of tourism activities, including hospitality, travel, and related services, on the provincial economy. By analysing this growth, the indicator helps assess the effectiveness of tourism development strategies and their role in economic diversification.
Source of data	National and provincial GDP reports from Statistics South Africa Tourism sector reports from the Department of Tourism and relevant provincial agencies Surveys of tourism-related businesses and stakeholders
Method of Calculation	$\text{Percentage Growth} = \left(\frac{\text{Tourism GDP}_{\text{current year}} - \text{Tourism GDP}_{\text{previous year}}}{\text{Tourism GDP}_{\text{previous year}}} \right) \times 100$
Assumptions	<ul style="list-style-type: none"> Continued growth in domestic and international tourism demand. Effective marketing and promotional efforts to attract tourists. Stability in the political and economic environment that encourages travel. Accurate and timely collection of data from tourism stakeholders.
Disaggregation of Beneficiaries	Not Applicable
Spatial Transformation	Province wide
Reporting Cycle	Annual
Desired performance	Achieve a contribution of 9.9% of total GDP from the tourism sector (as recorded in 2018).
Indicator Responsibility	ADDG: Trade, Sector and Tourism Development

ANNEXURE A: NATIONAL SPATIAL DEVELOPMENT FRAMEWORK AND DISTRICT DELIVERY MODEL

Table: National Spatial Development Framework (NSDF) And District Delivery Model (DDM)

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
Chemical Industry Development	Chemicals and Detergents shared production facilities	Development and provision of shared production spaces and incubation facilities for small enterprises in the chemicals and detergents sector.	65 000	eThekweni	Ithala industrial Park: 36 Ntombela Road, Emakhosini, KwaMashu, Durban	Director: SBD Area 2	<ul style="list-style-type: none"> • CHIETA • eThekweni Municipality • SEDA 	-29.734478	30.998599
				uGu	Ithala Gamalakhe Ray Nkonyeni Road	Director: SBD Area 2	<ul style="list-style-type: none"> • Business Forums • District and local municipalities 	-30.797589	30.329708
				King Cetshwayo	Ithala industrial Park: Esikhawini Ihlokohloko Street	Director: SBD Area 2	<ul style="list-style-type: none"> • Richards Bay Industrial Development Zone • SEDA • District and local municipalities 	-28.866861	31.907889

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
				Amajuba	Ithala Estate, Yellow Street Emadadeni, Newcastle	Director: SBD Area 2	<ul style="list-style-type: none"> • SEDA • Amajuba local municipality • Amajuba development forum • Amajuba beauty chamber • Other government departments 	-27.764417	30.057083
Pulp & Paper Industry Development	Pulp & Paper shared facilities/ services	Reconstructing the facility to a new design and added more structures and rooms such as training areas, ablutions facilities, staff	19 066 (3 years)	eThekweni	2 Blasé Road, New Germany Pinetown Durban 4001	Director: Cooperative Development Area 2	Ithala Development Finance Corporation (IDFC)	-29.799274	30.878468

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
		offices, boardroom, security features etc.							
Informal Economy Development	Municipal Informal Economy Infrastructure	Highflats Hawker Stalls (IEID) (Ubuhlebezwe Project Two) – for 67 traders	4 000	Harry Gwala	Highflats (Ubuhlebezwe)	CD: Regional and Local Economic Development	Municipality	-30.199344	30.257955
Informal Economy Development	Municipal Informal Economy Infrastructure	Provision of 23-50 informal trader stalls	1 750	uMgungundlovu	Richmond (Ward 1) CBD	CD: Regional and Local Economic Development	Municipality	-29.868473	30.274028
Informal Economy Development	Municipal Informal Economy Infrastructure	Development of informal business hub in the Nzinga Node for 10	2 100	uMgungundlovu	Mpendle (Ward 1)	CD: Regional and Local Economic Development	Municipality	-30.152389	30.064056

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
		informal businesses.							
Informal Economy Development	Municipal Informal Economy Infrastructure	Development of 70 new stalls as part of Ematsheni Trading Hub	4 000	uMgungundlovu	CBD (Ematsheni) Msunduzi (Ward 33)	CD: Regional and Local Economic Development	Municipality	-29.592361	30.383944
Informal Economy Development	Municipal Informal Economy Infrastructure	Informal Infrastructure for 60 traders including underground services, ablutions and landscaping.	12 000	uMkhanyakude	Manguzi	CD: Regional and Local Economic Development	Municipality	-26.986917	32.755750
Informal Economy Development	Municipal Informal Economy Infrastructure	Umzinto Informal infrastructure including mechanical workshop.	5 000	uGu	Umdoni (Umzinto)	CD: Regional and Local Economic Development	Municipality	-30.306809,	30.664996

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
Informal Economy Development	Municipal Informal Economy Infrastructure	Rehabilitation of Nelson Street SMME unit	2 300	uMgungundlovu	Richmond (Nelson Street)	CD: Regional and Local Economic Development	Municipality	-29.868473	30.274028
Aviation and Airport Development	Upgrade airport infrastructure	Margate Airport: Upgrading facilities to improve passenger services and air traffic capacity.	10 000	uGu	Margate Airport	Deputy Director: Aerotropolis Development	Ray Nkonyeni Local Municipality KZNDOT	-30.860194	30.343389
Aviation and Airport Development	Upgrade airport infrastructure	Prince Mangosuthu Airport: Modernizing terminal and runway to boost capacity and connectivity.	10 000	Zululand	Prince Mangosuthu Airport	Deputy Director: Aerotropolis Development	Zululand District Municipality	-28.315083	31.418528

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
Aviation and Airport Development	Upgrade airport infrastructure	Richards Bay Airport: Expanding and upgrading to support both passenger and freight traffic.	10 000	King Cetshwayo	Richards Bay Airport	Deputy Director: Aerotropolis Development	uMhlathuze Local Municipality	-28.825833	32.026389
Aviation and Airport Development	Upgrade airport infrastructure	Pietermaritzburg Airport: Expanding airport facilities to improve services and flight capacity.	10 000	uMgungundlovu	Pietermaritzburg Airport	Deputy Director: Aerotropolis Development	Msunduzi Local Municipality	-29.643209	30.396591
Aviation and Airport Development	Upgrade airport infrastructure	Mkhuze Airport: Developing airport infrastructure to improve accessibility and	5 000	uMkhanyakude	Mkhuze Airport	Deputy Director: Aerotropolis Development	uMkhanyakude District Municipality Umhlosinga Development Agency KZNDOT	-27.615954	32.041359

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
		regional transport.							
Clothing and Textile Development	Establishment of an eMadadeni clothing and textile incubation centre	Setting up a textile incubation center in Newcastle to support local businesses and job creation.	46 000	Amajuba	Emadadeni Newcastle	Director: IEHs & SEZs	Ithala, EDTEA, Newcastle, Majuba, SACTWU, Bargaining Council, Textile Industry	-27.787083	30.066167
Leather Industry Development	Establishment of a leather processing hub	Establishing a leather hub in Pietermaritzburg to promote sustainable growth in the leather industry.	3 000	uMgungundlovu	Pietermaritzburg	Director: IEHs & SEZs	TIKZN, uMgungundlovu, uMsunduzi, UMEDA, DTIC	-29.639611	30.345416
Maritime Industry Development	Aquaculture Projects Development	Establishing fish farms to enhance food security and	10 000	Province wide	Various locations in province	Director: Maritime and Logistics	Municipalities, DFFE, NRCS, SEDFA, DDAs, DARD, ADA	Province wide	Province wide

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
		promote local economic growth.							
Maritime Industry Development	uTshwayelo Aquaculture and Fish processing Facility	Construction of uTshwayelo Aquaculture and Fish processing Facility	-	uMkhanyakude	uTshwayelo Kosi Mouth Lodge & Camp uMhlabuyalingana	Director: Maritime and Logistics	Municipalities, DFFE, NRCS, SEDFA, DDAs, DARD, ADA	-26.892902	32.858259
Agriculture & Cannabis Industry Development	Cannabis/hemp shared processing facility	Developing a shared processing facility, promoting value-chain development and market access for cannabis/hemp.	5 000	uThukela	Bergville Town, Ukhahlamba Local Municipality	Director: Sector Development Project Manager: Nqobile Hlabisa	Okhahlamba Local Municipality, DSBD, DARD, IDC and CSRI	-28.659694	29.325000
Tourism Development	KwaXolo Caves Precinct	Upgrading and refurbishing the KwaXolo Caves	Budget already	uGu	Ray Nkonyeni (Ward 8)	Deputy Director: Product	KwaXolo Community Trust, Tourism	-30.886444	30.195972

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
	Upgrade (Phase 2)	Precinct, including the development of new visitor facilities.	transferred to TAFA: 8 650		(KwaXolo Caves Precinct)	Development and Support Services	KwaZulu Natal, South Coast Tourism, Ray Nkonyeni Municipality		
Tourism Development	Highover Game Reserve Lodge Refurbishment & Wedding Venue	Refurbishing the lodge, including upgrading chalets and converting a farmhouse into a reception area, plus adding a wedding venue.	Budget already transferred to the municipality: 5 000	uMgungundlovu	Hella Hella Road Richmond Municipality (Ward 6)	Deputy Director: Product Development and Support Services	Mchobololo Community Trust, Richmond Local Municipality, uMgungundlovu District Municipality, Richmond CTO	-29.913079,	30.090369
Tourism Development	Thokazi Royal Lodge Visitor Information Centre & SMME	Upgrading the Visitor Information Centre, constructing an SMME facility	4 800 Budget already transferred to IDFC: 3 000	Zululand	Thokazi Royal Lodge Nongoma Municipality (Ward 17)	Deputy Director: Product Development and Support Services	Royal House, iThala Development Finance Corporation,	-27.824861	31.566222

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
	Facility Upgrade	with a restaurant and curio shop.	Overall Budget: 7 800				Nongoma Municipality		
Tourism Development	Howick Falls Tourism Facility Upgrade	Refurbishing the tourism facility, including an SMME facility with restaurant and curio shop.	Budget Already transferred to UMEDA: 10 000	uMgungundlovu	Howick Falls Umngeni Municipality (Ward 8)	Deputy Director: Product Development and Support Services	Mchobololo Community Trust, Umngeni Local Municipality, uMgungundlovu District Municipality, Richmond CTO	-29.485922	30.239233
Tourism Development	Balele Game Park Tourism Facility Upgrade	Upgrading the Visitor Information Centre and SMME facility, including a restaurant and curio shop.	Budget already transferred to the Municipality: 9 500	Amajuba	Balele Game Park Emadlangeni Municipality (Ward 2)	Deputy Director: Product Development and Support Services	Emadlangeni LM, Amajuba LM, COGTA, TIKZN	-27.643181	30.338714

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
Tourism Development	KwaShushu Hotsprings & Ntunjambili Tourism Facility Upgrade	Developing architectural designs, conducting an EIA, constructing a heritage wall, and adding a viewing deck and parking area.	Budget already transferred to Enterprise Ilembe: 6 000	iLembe	KwaShushu Hotsprings & Ntunjambili Maphumulo Municipality (Ward 2)	Deputy Director: Product Development and Support Services	Ngcolosi Community Trust Members, Maphumulo LM, Enterprise Ilembe, Ezemvelo KZN Wildlife, TIKZN	-27.643181	30.338714
Retail and Commercial Development	Ndumo Shopping Complex Development	Supporting the construction of the Ndumo Shopping Complex featuring a fuel station, taxi rank, and market stalls to improve	150 00	uMkhanyakude	Ndumo Town, Jozini Municipality (Ward 16)	Deputy Director: Research and Modelling	iThala Development Finance Corporation, Jozini Municipality, uMkhanyakude Municipality,	-26.924028,	-26.924028

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
		infrastructure and boost the local economy.							
Biodiversity and Environmental Management	Clearing of Invasive Alien Plant Species	Clearing invasive alien plant species across various districts to restore biodiversity and improve ecosystem health.	62 876	uMgungundlovu uThukela, uMzinyathi, Ilembe, Amajuba, Harry Gwala, uGu, King Cetshwayo, uMkhanyakude, Zululand	Mkhambathini, Mshwathi, Msunduzi, Gudintaba, Mashingeni, Inkosi Langalibalele, Van Reenen, Umvoti, Kwa-Maphumulo, Mandeni, Ndwedwe, Mgundeni, Greater Kokstad, NDZ, Ubuhlebezwe, Edresini, Umzimkhulu,	Director: Coastal and Biodiversity Management	Local municipalities, EPWP, contractors	Province wide	Province wide

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/- Y)	Longitude (East/West/+ X)
					Umdoni, Umzi-Wabantu, Ray Nkonyeni, Umzumbe Trail, Osca, Umfolozi, Mthonjaneni, Mhlathuze, Nkandla, Umlalazi, Big 5 Hlabisa, Mdletsheni, False Bay, Umhlaba Uyalingana, Ingwavuma, Thobothini, Mvutshini, Mtubatuba, Pongola, Kwamnyathi,				

Area of Intervention	Five Year Planning Period								
	Project Name	Project Description	Budget Allocation (R '000)	District Municipality	Specific Location	Project Leader	Social Partners	Latitude (North/South/-Y)	Longitude (East/West/+X)
					Abaqulusi, Edumbe,				



KWAZULU-NATAL PROVINCE

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