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No. 3, 2010

PROVINCE OF THE EASTERN CAPE

ECONOMIC DEVELOPMENT AND ENVIRONMENTAL AFFAIRS

PUBLICATION OF WHITE PAPER ON THE MANAGEMENT OF TOURISM, CONSERVATION AND PROTECTED AREAS IN THE EASTERN CAPE

It is hereby made known that the MEC for Economic Development and Environmental Affairs has made a policy on the Management of Tourism, Conservation and Protected Areas in the Eastern Cape, which is hereby published for general information.

**DEPARTMENT OF ECONOMIC DEVELOPMENT AND
ENVIRONMENTAL AFFAIRS**



Province of the
EASTERN CAPE
ECONOMIC DEVELOPMENT AND
ENVIRONMENTAL AFFAIRS

**WHITE PAPER ON MANAGEMENT OF TOURISM,
CONSERVATION AND PROTECTED AREAS IN THE
EASTERN CAPE**

Foreword by the MEC

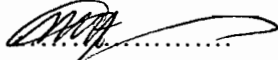
This White paper sets out the policy rationale for the strategic realignment of the current implementation model for advancing tourism and biodiversity management within the province. It also proposes the development of an integrated institutional framework for this model to be advanced in its implementation.

The process towards the identification of this model is informed by the need to improve the gearing of the state to better deliver on its current mandate, whilst ensuring that it simultaneously manages the ever changing complexities encountered in the process of delivering its mandate.

Therefore, in the establishment of the Eastern Cape Parks and Tourism Agency, government has considered both its mandate, and the necessary posture required to advance this mandate amidst the current complexity in its implementation. These complexities have been witnessed in the impact of the recent global economic crisis, and its effect on employment and poverty within our economy. This has placed significant pressure on the state to ensure that it creates mechanisms better suited to mitigate the impact of poverty and unemployment in the province. This is especially true when considering the need to transform the rural economy of the province by identifying innovative and sustainable solutions to improving the livelihoods of the rural poor in the Eastern Cape. It is our belief that the strategic realignment of the model for conservation and tourism development in the province represents such innovation and decisiveness by the provincial government.

This decision is firmly premised on the role of the developmental state within modern democratic societies around the world, which is to drive economic development through targeted interventions that advance economic growth whilst ensuring sustainable development, and the management of natural resources. This can only happen when the state and its institutions are appropriately geared towards delivering the necessary enablers for sustainable development to occur.

It is my belief, therefore, that this new and revitalised ECPTA will provide a better poised institutional framework for the management of tourism and bio-diversity conservation whilst contributing to socio-economic development in the Eastern Cape.



Hon. M. Jonas

MEC for Economic Development and Environmental Affairs

Province of the Eastern Cape Eastern Cape

List of Acronyms

ANC	African National Congress
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Office
CITES	Convention on International Trade of Endangered Species
CPPP	Community Public Private Partnership Programme
DEAET	Department of Economic Affairs, Environment and Tourism
DEAT	Department of Environmental and Tourism
DEDEA	Department of Economic Development and Environmental Affairs
DGDS	District Growth and Development Strategies
EC	Eastern Cape
ECPB	Eastern Cape Parks Board
ECPG	Eastern Cape Provincial Government
ECPTA	Eastern Cape Parks and Tourism Agency
ECTB	Eastern Cape Tourism Board
GDP	Gross Domestic Products
GDP-R	Gross Domestic Product Regional
GEAR	Growth, Employment and Redistribution
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
IDP	Integrated Development Plan
JMA	Joint Marketing Agreements
KZN	Kwazulu Natal
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NGO	Non-Governmental Organisation
NEMA	National Environmental Management Act
NEMBA	National Environmental Management Biodiversity Act
NEMPAA	National Environmental Management: Protected Areas Act
NPAES	National Protected Areas Expansion Strategy
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PIDS	Provincial Industrial Development Strategy
PPP	Public Private Partnership
PSF	Provincial Strategic Framework

RDP	Reconstruction and Development Programme
RDS	Rural Development Strategy
SATOUR	South African Tourism
SDF	Spatial Development Framework
SMME	Small, Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TMP	Tourism Master Plan
WC	Western Cape

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1. Introduction

This draft white paper and its accompanying legislation on the Management of Tourism, Conservation and Protected Areas in the Eastern Cape provides for the creation of the necessary enabling framework for a more coherent and comprehensive approach to the development of tourism through conservation in the Eastern Cape.

It further identifies the appropriate institutional framework in which to advance this integrated approach, and proposes the realignment of the existing institutional model.

The white paper further considers the strategic role of both tourism and biodiversity as critical priorities in the current medium term strategic framework (MTSF) of government, whilst mindful of the potential inherent in growing the current tourism base in the Eastern Cape. It is in this context that the policy also notes the immense potential for job creation, economic empowerment and comprehensive rural development that both tourism and the bio-diversity conservation offers in contributing to the quality of life of the people of the Eastern Cape.

The white paper further identifies the critical challenges in the current implementation of the mandate for both tourism, and conservation within protected areas of the province. In conducting this assessment of the current implementation model, a number of critical strategic challenges were noted in the current approach being deployed by government. The challenges identified in the current model were identified as:

1. Overlap and duplication in the management and resourcing.
2. Insufficient strategic alignment to leverage existing strengths and offerings across both sectors;
3. Weaknesses in oversight and strategic coordination;
4. Challenges in commercialization and investment in tourism produces in provincial parks;
5. Decreasing own revenue and dependency on the government grant;

All of which mitigate the impact of government's efforts with both tourism and conservation.

In responding to the problems identified in the status quo, and in line with the new policy direction of government, this white paper proposes the merging of the Eastern Cape Tourism Board (ECTB) and Eastern Cape Parks Board (ECPB) and envisages the emergence of a new developmental model for the advancement of tourism development and biodiversity conservation in the Eastern Cape.

Through this integrated model, the new Agency will be better positioned to leverage the strengths and opportunities within conservation and tourism, whilst facilitating the

efforts of government towards creating improved synergy for economic development, employment, rural development and economic transformation through tourism in the Eastern Cape.

2. Situational Analysis

2.1 Policy Context and Strategic Thrust

2.1.1 The Constitutional Mandate and the role of the developmental state

The idea of the developmental state has long enjoyed the attention of both scholars and practitioners of development and public sector policy for the better part of the last decade. In South Africa, this discussion has been translated into a specific set of policy priorities, aimed primarily at the capacitation and gearing of the South African state to be more responsive, better co-ordinated and significantly agile in addressing the developmental challenges confronting the nation and its people.

This developmental agenda, both in terms of government's policy orientation and its prioritisation of capacitation and transformation of the public sector and the state machinery in post-apartheid South Africa, has been consistent over the past fifteen years of democratic rule in South Africa. This was evident in the Reconstruction and Development Programme (RDP) and the ruling party's articulation of its 1994 election manifesto entitled *Ready to Govern*.

Subsequent to the assumption of power by the democratic regime in that historic first general election of 1994 the state and, by virtue of the negotiated settlement of the early nineties, the South African society as a whole, had endorsed the need for a sustained reconstruction and development agenda for the nation. This, was initially directed through the fundamental principles and objectives of the RDP, which are outlined as follows¹:

1. Integrated and sustainable programme
2. People-driven process
3. Peace and security for all
4. Nation-building
5. Linking reconstruction and development

These objectives and principles were subsequently entrenched within the first Democratic Constitution of the Republic of South Africa 1996 and further articulated in the RDP policy framework (section 1.4.20) by identifying: *"In linking democracy, development and people-centred approach we are paving the way for a new democratic order ... setting out the role of the Constitution of the Republic of South Africa 1996, Bill of Rights, national, provincial and local government, the public sector, parastatals in facilitating socio-economic development."*

This approach to reconstruction and development has been further entrenched within the Constitutional Framework for the Republic (Act 108 of 1996) and the Bill of Rights, which articulates first, second and third generation rights enshrined therein.

¹ RDP: A Policy Framework (ANC: 1994)

In its advancement of the second and third generation rights within the Bill of Rights, the Constitution of the Republic of South Africa places critical developmental and environmental obligations on the state, its organs and agencies. It is within this context that the discussion on the mandate of the provincial government towards the advancement of its developmental objectives and its strategic priorities must be framed².

Furthermore, this developmental imperative outlined within the RDP, and the Constitution of the Republic of South Africa 1996, has consistently found resonance within government's strategic framework for development and service delivery over the last fifteen years of democracy. These priorities of the democratic developmental state in post-apartheid South Africa over time might have seen programmatic revisions concerned, primarily, with points of emphasis towards improved implementation. It has however, retained its developmental and transformative thrust enshrined in the overall objectives of the *manifesto* of the ruling party, and has emerged consistently as key drivers in government's Medium Term Strategic Frameworks (MTSF) over the last fifteen years³.

In the current MTSF (2009-2014) the decisions and rationale, on a strategic level, must find expression in and be motivated by its alignment with critical strategic priorities of government. These priorities in the current MTSF have been identified as follows⁴:

1. Speeding up economic growth and transforming the economy to create decent work and sustainable livelihoods
2. Design a massive programme to build economic and social infrastructure
3. Comprehensive rural development strategy linked to land and agrarian reform and food security
4. Strengthen the skills and human resource base
5. Improve the health profile of society
6. Intensify the fight against crime and corruption
7. Build cohesive, caring and sustainable communities
8. Pursue regional development, African advancement and enhanced international co-operation
9. Effect sustainable resource management and use
10. Build a developmental state including improvement of public services and strengthening democratic institutions

These priorities are derived from and informed by the current election manifesto of the ruling African National Congress (ANC), which forms the basis for the social contract undertaken with South Africans for the current government (2009-2014). This manifesto outlines the following five strategic priorities for this term⁵:

² Constitution of the Republic of South Africa (Act 108 of 1996)

³ Gov.za (The Presidency Website/Government Programme of Action 2009 – 2014)

⁴ Ibid.

⁵ [www.ANC.org.za /Elections Docs \(ANC Manifesto 2009-2014\)](http://www.ANC.org.za/Elections Docs (ANC Manifesto 2009-2014))

1. Creation of decent work and sustainable livelihoods through more inclusive economic growth
2. Rural development, land and agrarian transformation
3. Education, with a focus on greater access and quality
4. Improved health care
5. Fighting crime and corruption

These priorities in the manifesto are driven by the following set of objectives, which remain central to government's mandate:

1. Halve poverty and unemployment by 2014
2. Ensure more equitable distribution of benefits of economic growth and reduce inequality
3. Improve the nations' health profile and skills base and ensure universal access to basic services
4. Improve the safety of citizens by reducing incidents of crime and corruption
5. Build a nation free of all forms of racism, sexism, tribalism and xenophobia

Therefore, how does the management of tourism and biodiversity conservation in the Eastern Cape strategically fit the current MTSF objectives?

The Department of Economic Development and Environmental Affairs (DEDEA) in particular, is responsible for policy development and management of tourism and biodiversity in the Eastern Cape. These responsibilities are clearly outlined under 'Chapter 6 of the Constitution of the Republic of South Africa 1996', and in 'Chapter 6 and Schedule 3 of the PFMA (Act 1 of 1999)', which place particular responsibility on the executing authority and the department in ensuring that it utilises the necessary policy levers at its disposal in ensuring optimal alignment of its agency value chain for greater effectiveness and efficiency in the delivery of the MTSF priorities and its overall developmental and constitutional mandate⁶. For this purpose, the DEDEA currently has as an operational arm, the current Eastern Cape Tourism Board (ECTB) and the Eastern Cape Parks Board (ECPB).

2.1.2 The role of Public Entities and Agencies in the evolving policy landscape

In-line with the previous discussion on the developmental state, is the positioning of public entities in the value chain within the state as far as reconstruction and service delivery are concerned. Public entities across all spheres of Government (i.e. national, provincial and local) do not operate in a vacuum and should be viewed as critical agencies in advancing government's developmental agenda and the current programmes in the MTSF.

⁶ Public Finance Management Act (Act 1 of 1999)

Similarly, therefore, the province of the Eastern Cape cannot afford to ignore the potential for greater effectiveness to be gained through improved and accelerated implementation of its own provincial priorities (i.e. PSF) by paying closer attention to the management of its public entities. In addition, the recent demand for greater focus on public entities has been considerably influenced by the impact of the global financial crisis, which has placed ever-increasing demands on the state to build greater levels of efficiency in the utilisation of public resources toward implementing service delivery initiatives. Hence, the call to *"do more with less"*.

In the context of the Economic Development sector in the Eastern Cape, which is not atypical to the sector across all nine provinces, a considerable portion of the DEDEA budget is based on transfer payments to its public entities. Approximately 68% of the department's annual budget is transferred to its entities through grant payments for the delivery of services. Therefore, the need for a greater focus and emphasis on the oversight, alignment and streamlining of the work of these entities has remained high on the agenda of the provincial government, and DEDEA as its executing authority in particular.

In terms of the management of its public entities by DEDEA, the context in which all these factors should be taken into account, has not been lost. In fact, the MEC has emphasised this approach by the provincial government in the DEDEA Budget Policy Speech for 2009/10.

It is in this context that the strategic direction determined by the provincial government and by extension, the DEDEA, must find expression in the plans of its entities, as implementation agents of its mandate. This can therefore extend beyond the mere alignment of strategic plans and programmes. It can, and must, by its very nature, allow for the review and assessment of the configuration of the public entity value chain, as it exists. In responding to this assessment, the mandating department has the responsibility and obligation to take up the necessary policy decisions to create the optimal enabling environment for the delivery and implementation of its mandate.

It is important to note that the Executive Council of the province and the MEC for DEDEA retain the right to review the institutional framework for the effective implementation of the mandate. In doing this the public entities, as critical to the business model of the department, will not be unaffected by this process in terms of their possible re-configuration and re-alignment from time to time (See figure 1 below).

(Figure 1: Public Entity Management Framework)

In the current MTSF, and as translated in the Eastern Cape Provincial Strategic Framework (PSF), DEDEA and its agencies will remain critical to the achievement of this developmental mandate of the ECPA. In this context, the DEDEA has taken the bold step in outlining policy responses and priorities within five focus areas, as discussed below.

In his 2009/10 Budget Speech, the Hon. MEC Jonas (MEC for the Department of Economic Development and Environmental Affairs) confirmed that this White Paper process was to go ahead. The provincial government's decision to forge ahead with the streamlining of its public entities is motivated by the pressure resulting from the challenge to government to introduce and support mechanisms that will facilitate sustainable economic development and rapid economic growth in an effort to mitigate the impact of the global economic crisis; and furthermore, to produce better results with fewer resources.

2.2 Legislative Framework

2.2.1 Tourism: The legislative and policy context

The development of tourism legislation in the South African context has largely been driven by the need to establish the necessary enabling environment for the development of tourism as a vibrant economic sector. This simultaneously ensures

the advancement of the intended developmental objectives identified by government within the sector.

This has seen the emergence of various policies and legislation (see figure 2 below), aimed at ensuring the appropriate regulation of the sector in the country, and to ensure the creation of the necessary governance model for the development of tourism in South Africa.

(Figure 2: National Tourism Legislation)

TOURISM ACT, NO 72 (1993)	TOURISM AMENDMENT ACT NO. 107 (1996)	TOURISM AMENDMENT ACT NO. 8 (2000)	TOURISM AMENDMENT ACT NO. 70 (2000)
<ul style="list-style-type: none"> •The Tourism Act was promulgated to make provision for the promotion of tourism in the Republic. It aims to achieve: •Further regulation and rationalisation of industry. •Measures aimed at enhancement standards of facilities and Services hired out or made available to tourists •Coordination and rationalisation of the activities of persons active in the industry. •Establish a board with legal personality •Authorise the Minister to establish a grading and classification scheme in respect of accommodation establishment •To authorise the Minister to establish schemes for prescribed sectors •Make provision for the registration of tour guides •Authorise the Minister to make regulations. 	<ul style="list-style-type: none"> •This Amendment Act is primarily concerned with the Tourism Board in terms of: •Restate the objective of the board •Provide for representation of the provinces on the board •Make further provision with regard to disqualifications of membership •Withdraw certain powers of the board •Provide that the Act shall apply throughout Republic •Circumscribe relations of the board with DEAT with regard to tourism promotion •Make provision for matters related to above. 	<ul style="list-style-type: none"> •This Act is also concerned with the Tourism Board. The purpose of amendment was to: • further regulate composition of the Board •Further regulate the convening of an extraordinary meeting of the board •Provide for measures to promote and maintain sound working relationship between board and provinces •Provide for matters related to above. 	<ul style="list-style-type: none"> •This is primarily concerned with Tourist Guiding. •Further provider for training and registration of tour guides •Make provision for code of conduct and ethics for tourist guides •Regulate the procedure for lodging complaints •Provide for endorsement of certain registers in appropriate cases •Provide for disciplinary measures, appeal and reviews •Criminalize certain conduct •Provide for transitional matters •Provide for matters connected herewith.

A key policy document in the evolution of the tourism sector in South Africa was the Tourism White Paper 'entitled *The Development and Promotion of Tourism in South Africa*', which was approved by Cabinet in June 1996. This White Paper⁷:

- Outlined the role of tourism in South Africa;
- Recognised that tourism development in South Africa has largely been a missed opportunity, given the legacy and impact of apartheid over the years;
- Identified some of the key constraints that limit the ability of the tourism industry to play a more meaningful role in the national economy;
- Listed various reasons why tourism can be an engine of growth, capable of rejuvenating other sectors of the economy;
- Insisted, and explained, that only responsible tourism could fulfil that role;
- Indicated that government's vision was to develop the tourism sector as a national priority in a sustainable and acceptable manner, so that it would contribute significantly to the improvement of the quality of life of every South African and to ensure that, as a lead sector within the national economic strategy, a globally competitive tourism industry would be a major force in the reconstruction and development efforts of the government;
- Outlined the principles that are to guide the development of responsible tourism in South Africa, the key conditions that had to be met, the objectives supporting the executive's vision and specific targets;
- Identified the key policies that had to be developed, and the actions that had to be taken, in the areas of:
 - safety and security
 - education and training
 - financing, investment incentives, foreign investment
 - environmental management
 - cultural resource management
 - product development
 - transportation
 - infrastructure
 - marketing and promotion
 - product quality and standards
 - regional co-operation; and
 - youth development.
- Described the role expected to be played by the national government, as well as the provincial governments, local government, the private sector, labour, communities, women, NGOs, the media and conservation agencies;
- Examined the existing organizational structures at national and provincial levels, as well as options for reforms.

Thus, the White Paper on Tourism laid the basis for the development of the tourism sector in the country and further outlined the principles and approaches to be adopted by the state in creating the necessary enabling environment for the industry

⁷ National Tourism White Paper, 1996 (DEAT)

to grow and develop in the country. It further outlined the co-operative governance model for the various spheres of government within tourism.

The White Paper was followed in 1998 by a document entitled *Tourism in GEAR: Tourism Development Strategy 1998-2000*. The strategy outlined in that document strove to create a framework for implementing the policies contained in the White Paper within the context of the national executive's macro-economic strategy of Growth, Employment and Redistribution – GEAR. The detailed programme of action focussed on the following:

- institutional capacity building;
- marketing, promotion and communication;
- infrastructure and security provision;
- product quality assurance;
- human resource development;
- business development and investment promotion;
- sustainable product diversification and packaging;
- stakeholder liaison and relations; and
- international co-operation.

Institutional guidelines for Public Sector Tourism Development and Promotion in South Africa were agreed upon in 1999. Those guidelines were based on the premise that, in order to secure sustainable tourism growth, it is essential for a collaborative approach to be followed in developing the industry. This means that the three tiers of government (national, provincial and local) would have to work together in developing tourism. On that basis, the Guidelines spelt out the responsibilities of each sphere of government in the areas requiring state action.

In 2000, a document entitled *'Growing Tourism for the 21 Century: A Strategy for Jobs, Rural Development and Poverty Alleviation'* identified the strategies that needed to be pursued in order to move towards, and sustain, a competitive and vibrant tourism sector. That document was followed by *'Unblocking Delivery on Tourism Strategy by Government Departments'*, a document focusing on the actions to be taken by the various state departments in the national sphere of government.

Lastly, in 2001, the Minister endorsed a three-year action plan aimed at transforming ownership of the tourism industry and enabling previously disadvantaged and impaired entrepreneurs to enter the industry.

The Eastern Cape provincial government is committed to managing tourism within the above policy and legislative frameworks.

2.2.2 Conservation and management of protected areas: the legislative and policy context

Although the mandate of the ECPB is restricted to the conservation efforts within the boundaries of the protected areas, this cannot be seen in isolation from the broader environmental efforts that also apply outside of protected areas.

The ECPB should implement its mandate, derived from its enabling legislation in terms of the overall mandate of the province provided in section 24 of the Constitution of the Republic of South Africa 1996. Additionally, the Constitution of the Republic of South Africa 1996 provides the overall framework for environmental governance in South Africa, by:

- Establishing the right to an environment that is not harmful to health and well-being;
- Balancing the right to have the environment protected with rights to valid social and economic development;
- Allocating environmental functions to a wide range of government agencies in all spheres; and
- Requiring co-operation between government agencies and spheres of government.

The National Department of Environment is the lead agency regarding the implementation of environmental legislation. The Constitution of the Republic of South Africa 1996 sets out the respective powers of national, provincial and local spheres of government and specifies various legislative competencies to the three spheres of government in terms of 'environment', 'nature conservation' and natural resources such as soil, water, forests and marine resources. In this regard national competencies include:

- National parks
- National botanical gardens

Functional areas of concurrent national and provincial legislative competence include, amongst others, the following:

- Environmental management
- Pollution control
- Soil conservation
- Nature conservation (excluding national parks, national botanical gardens and marine resources)
- Regional planning and development

Therefore, the ECPB must implement its mandate within the sphere of both national and provincial legislation. In this regard the following legislative framework applies:

- ***National legislation***

- National Environmental Management Act, 107 of 1998 (NEMA) and regulations
- National Environmental Management Biodiversity Act, 10 of 2004 (NEMBA) and regulations
- National Environmental Management: Protected Areas Act, 57 of 2003 (NEMPAA)
- National Environmental Management: Integrated Coastal Management Act
- Mountain Catchment Areas Act, 63 of 1970
- Marine Living Resources Act, 18 of 1998
- National Forests Act, 84 of 1998

(Fig. 3: Key National Legislation)

NATIONAL ENVIRONMENTAL MANAGEMENT ACT NO 107 (1998) - NEMA	NATIONAL ENVIRONMENTAL MANAGEMENT: PROTECTED AREAS NO. 57 (2003)	NATIONAL ENVIRONMENTAL MANAGEMENT: BIODIVERSITY ACT 10 (2004)
<ul style="list-style-type: none"> • This Act provides for cooperative environmental governance by establishing: • Principles for decision making on matters affecting the environment • Institutions that will promote cooperative governance and • Procedures for coordinating environmental functions exercised by organs of state and • To provide for matters connected herewith. 	<ul style="list-style-type: none"> • The Act was established for: • The protection and conservation of ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes • The establishment of a national register of all national, provincial and local protected areas • Management of those areas in accordance with national norms and standards • Intergovernmental cooperation and public consultation in matters concerning protected areas • Matters in connection therewith. 	<ul style="list-style-type: none"> • This Act was established to provide for the management and conservation of South Africa's biodiversity within the framework of the NEMA, it includes: • Protection of species and ecosystems that warrant national protection • The sustainable use of indigenous biological resources • Fair and equitable sharing of benefits arising from bio-prospecting involving indigenous biological resources • Establishment and functions of a South African National Biodiversity Institute • Matters connected therewith.

- **Provincial legislation**

- The Nature and Conservation Ordinance (Ordinance 19 of 1974)
- Provincial Parks Board Act (Eastern Cape), 12 of 2003

Over and above the listed national legislation, the ECPB must undertake its mandate within the policy and strategy framework developed at national level. In this regard, strategies developed include:

- The Biodiversity White Paper (1997)
- The National Biodiversity Strategy and Action Plan (2005)
- The National Biodiversity Framework (2008)
- The National Protected Area Expansion Strategy (2009)
- Draft Biodiversity Policy Document

In terms of global compliance and international environmental agreements, South Africa is also a signatory to a large number of multi-lateral environmental agreements which also impacts on the implementation of the mandate of the ECPB and includes, amongst others:

- Convention on Biological Diversity (1995)
- Convention on International Trade of Endangered Species (CITES) (1975)
- UNESCO World Heritage Convention (1972)
- Convention on Biodiversity Convention on Wetlands of International Importance ("Ramsar") (1971)
- Convention of Migratory Species of Wild Animals
- The Constitution of the Republic of South Africa 1996

National Environmental Management Act

The legislative framework provided by the National Environmental Management Act, 1998 (NEMA) (Act 107 of 1998) introduced a new era of management of the environment.

Chapter 1 of NEMA sets out the national environmental management principles. Key among these is that environmental management must place people and their needs at the forefront of its concern, and development must be socially, environmentally and economically sustainable.

The Biodiversity White Paper

The Biodiversity White Paper of 1997 set out a number of goals, strategies and priorities for conservation, sustainable use and equitable benefit sharing. Key goals were:

- Goal 1: Conserve the diversity of landscapes, ecosystems, habitats, communities, populations, species and genes in South Africa;
- Goal 2: Use biological resources sustainably and minimise adverse impacts on biological diversity;
- Goal 3: Ensure that benefits derived from the use and development of South Africa's genetic resources serve national interests;

- Goal 4: Expand the human capacity to conserve biodiversity, to manage its use and to address factors threatening it;
- Goal 5: Create conditions and incentives that support the conservation and sustainable use of biodiversity; and
- Goal 6: Promote the conservation and sustainable use of biodiversity at the international level.

National Environmental Management: Biodiversity Act

The promulgation of a suite of National Environmental Management legislation, such as NEMPAA and NEMBA, provides the mechanism for consistent implementation of biodiversity policy across the country. An important rationale for NEMBA is to resolve the fragmented nature of biodiversity related legislation at national and provincial levels, and to consolidate different laws, in order to give effect to the principle of co-operative governance.

An important function identified in NEMBA is the responsibility to promote and undertake research relating to biodiversity, including sustainable use, protection and conservation of indigenous biological resources.

National Biodiversity Framework

The National Biodiversity Framework must provide for an integrated, co-ordinated and uniform approach to biodiversity management by organs of the state in all spheres of government, non-governmental organisations, the private sector, local communities, other stakeholders and the public, and identify priority areas for conservation action and the establishment of protected areas (as defined in the NEMPAA). It must also be consistent with the NEMA principles and with any relevant international agreements binding on the Republic and must reflect regional co-operation on issues concerning biodiversity management in southern Africa. The National Biodiversity Framework may determine norms and standards for provincial and municipal environmental conservation plans.

National Environmental Management: Protected Areas Act

NEMPAA provides for the protection and conservation of ecologically viable areas representative of South Africa's biodiversity and natural landscapes and seascapes and deals with a system of protected areas. It calls for the establishment of a national register of all national, provincial and local protected areas and for the management of those areas in accordance with national norms and standards. The Act also provides for intergovernmental co-operation and public consultation on matters concerning protected areas.

National Protected Areas Expansion Strategy

The goal of the National Protected Areas Expansion Strategy is to achieve cost effective protected area expansion for ecological sustainability and increased resilience to climate change. This strategy is South Africa's first national assessment

of priority areas for protected area expansion based on systematic biodiversity planning principles, dealing with terrestrial and aquatic environments.

Using systematic biodiversity planning techniques, the strategy identifies 42 focus areas for protected area expansion. The three main mechanisms for expanding the land-based protected area network in the strategy are the acquisition of land, contract agreements and the declaration of public land.

Protected area agencies, including provincial conservation authorities, are responsible for implementing the NPAES and in this regard should develop an agency-specific protected area expansion implementation plan based on the NPAES targets and focus areas. Institutional priorities for protected area agencies include the following:

- Developing agency-specific protected area expansion implementation plans
- Proceeding with the development of provincial systematic biodiversity plans
- Developing provincial biodiversity stewardship programmes to deal with the full range of stewardship options from informal to formal contractual protected areas.

National Biodiversity Stewardship Policy

Stewardship plays a crucial role in the National Protected Area Expansion Strategy as many of the most threatened ecosystems are situated on private or communally owned land, and, are often under great pressure from development and unsustainable land use. It is neither desirable nor financially feasible for government to purchase all the land identified as priority areas for meeting protected area targets. Thus, biodiversity stewardship programmes play an increasingly important role in the expansion of protected areas and conservation of our most threatened ecosystems. The draft biodiversity stewardship policy document sets out South Africa's approach to biodiversity stewardship on a national level. It includes the legal framework, principles, links with other national policies and programmes, and key roles and responsibilities of the main organisations involved; it is closely linked to the biodiversity stewardship guideline document and should be read in conjunction with this document. The principles identified are the following: biodiversity outcomes are critical, focus on biodiversity priority areas, site security, voluntary commitment, ensure ongoing land owner/user support and co-operative governance and partnerships. The policy document provides for four hierarchical categories of biodiversity stewardship agreements, namely:

- nature reserves
- protected environments
- biodiversity management agreements
- conservation areas

The policy also highlights that a range of statutory and non-statutory incentives should be made available to support land owners/users entering into biodiversity stewardship agreements. The policy highlights the following roles that provincial conservation agencies can play to contribute in biodiversity stewardship programmes:

- Establish biodiversity stewardship programmes
- Secure and manage biodiversity stewardship agreement
- Streamline approval process for agreements and declarations
- Ensure biodiversity stewardship programme is sufficiently staffed and supported
- Co-operate with other directorates to ensure sufficient suitably skilled extension staff
- Look for partnerships with NGOs and landowners

From the above, it is obvious that the ECPB has a complicated and comprehensive task in effectively implementing its mandate within the expanded legislative and policy framework that governs the environment.

2.3 Operating Environment

2.3.1 Tourism and Parks in the Eastern Cape: an Historical Overview

The ECTB was first established in 1995 in terms of the Eastern Cape Tourism Board Act No 9 of 1995. In terms of this Act, the *conservation functions* of *Contour* (a former Ciskei Public Entity) were taken over by the new Tourism Board which involved the management of three former Ciskei Reserves; viz., Doubledrift, Mpofo and Tsolwana. These reserves were mainly hunting reserves which led to the introduction of a number of alien species in order to obtain a market share of the hunting industry. At the time, major emphasis was placed on generating income and job creation with less emphasis on biodiversity conservation.⁸

The (then) DEAET was responsible for the management of twenty-four reserves which were previously managed by the Cape Provincial Administration and the Transkei Government. Management of these reserves was delegated by DEAET to the ECTB in 2002. The reason for the delegation of management was to improve management efficiency. Subsequent to the transfer of this mandate, the DEAET recognised the need to pay more attention to *biodiversity conservation*. On this basis, a decision was taken to establish the Eastern Cape Parks Board in terms of the Provincial Parks Board Act No. 12 of 2003⁹, as a public entity, separate from the Tourism Board, which was established under the Eastern Cape Tourism Board Act, 8 of 2003.

The respective mandates of these entities were identified as follows:

- The Eastern Cape Tourism Board: The promotion of the tourism Industry in the province by marketing the province as a tourism destination and promoting SMMEs in the tourism industry.
- The Eastern Cape Parks Board: The conservation of biodiversity in provincial parks assigned to it by the MEC for the benefit of communities and the public in general.

⁸ DEDEA Merger Concept Document, 2008

⁹ *ibid*

2.4 Current Provincial Enabling Legislation (ECTB and ECPB)

2.4.1 ECTB

The mandate of the ECTB is located in its enabling law, the Eastern Cape Tourism Board Act, 8 of 2003 (ECTB Act). The primary source of the mandate is section 4 of the ECTB Act although there are other powers and duties scattered throughout the legislation. In terms of the ECTB Act the ECTB is under a legislative obligation to:

- promote or undertake publicity of tourism in any form;
- promote the development and management of the tourism industry in the Province;
- promote the participation of SMME's in the tourism industry in the Province;
- provide advisory and information services;
- promote and undertake research related to tourism;
- encourage the development, achievement and maintenance of satisfactory standards in hotels, restaurants, etc;
- obtain and provide advice and guidance in connection with the establishment, expansion or conduct of hotels, restaurants, etc;
- encourage the adoption of measures for providing training and instruction for persons employed or intending to take up employment in the hotel or catering industry
- appoint a CEO and staff;
- develop an implementation plan for the development or empowerment of previously disadvantaged persons and communities in the tourism industry and the implementation is to be funded by the Eastern Cape Tourism Development Fund;
- keep a register of tour guides, tour operators, couriers, training providers, hotels, accommodation establishments, restaurants and designated tourist amenities;
- issue certificates of registration to tour guides, tour operators, couriers, training providers, hotels, accommodation establishments, restaurants and designated tourist amenities;
- annually publish a list of registered hotels, other accommodation establishments, conference centres, restaurants, tour guides, tour operators, couriers, designated tourist amenities and training providers;

In terms of the enabling legislation the ECTB has the discretion to:

- establish, equip and operate, or assist in the establishment, equipment and operation of tourist information bureau or similar forms of agencies in connection with the promotion of tourism;
- contribute or reimburse expenditure incurred by any other person or organisation in doing anything which the Board has power to do;
- purchase, take in exchange, hire or otherwise acquire movable property necessary for the exercise of functions or the performance of duties thereof;
- establish such branches or offices as the Board deems fit;

- appoint staff as inspectors;
- do all such things generally as are incidental to or necessary for the exercise of its powers.

The ECTB also has peremptory powers relating to funding and annual reporting.

2.4.2 ECPB

The complexity of the conservation landscape defies any attempt at a brief summary of the mandate of the ECPB. Its mandate is not contained in a single source but is captured in an immense suite of national and provincial laws as well as a vast array of applicable subject specific policies.¹⁰ The ECPB is a creature of statute and as such, has both an organisational mandate and an operational mandate. Its organisational mandate can be found in its enabling law, the Provincial Parks Board Act (Eastern Cape), 12 of 2003 (the ECPB Act). The operational mandate of the ECPB is best ascertained by distinguishing between the different kinds of protected areas that the ECPB is required to manage, read together with its powers and duties contained in the ECPB Act.

As stated above, the organisational mandate of the ECPB is found in the ECPB Act. The primary mandate is its general powers outlined in section 9, although there are various other powers and duties throughout the ECPB Act. The Board has the following general powers:

- determine the employment policy for the ECPB in concurrence with the MEC.
- appoint its staff;
- obtain the services of any person, including any organ of the state, for the performance of any specific act, task or assignment;
- acquire or dispose of any right in, or to, movable or immovable property, or hire or let any property;
- open and operate its own bank accounts;
- invest any of its funds;
- borrow money, subject to the PFMA;
- charge fees for any work performed or services rendered by it or collect royalties resulting from any discoveries, inventions or computer programmes;
- insure itself against any loss, damage or risk or any liability it may incur in the application of the ECPB Act;
- insure members of the Board and staff members in respect of bodily injury, disability or death resulting solely and directly from an accident occurring in the course of the performance of their duties;
- perform legal acts, including acts in association with or on behalf of any other person or organ of state.

The other organisational provisions require that the chairperson decide when and where to meet, that the Board keeps records of its proceedings and appoints a CEO.

¹⁰ Relates to the national policy landscape, which impacts on the concurrency of the conservation management between the spheres (see 2.1.4)

It may close its meetings, determine its own procedures for meetings, establish and dissolve committees, appoint members of the committees, and delegate any of its powers and duties to a Board member, committee member or staff member.

In terms of the ECPB Act, the ECPB is under a legislative obligation to:

- manage provincial parks in accordance with this Act;
- ensure the protection and conservation of provincial parks, and the biological diversity in these areas;
- advise the MEC on any matter concerning provincial parks and any international agreements relating to protected areas which are binding on the Republic;

The Board may, in managing a provincial park:

- manage breeding and cultivation programmes, and reserve areas in the park as breeding places and nurseries;
- sell, exchange or donate any species occurring in the park, or purchase, exchange or otherwise acquire any indigenous species which it may consider desirable to introduce into the park;
- carry out any development, and construct or erect any works, necessary for the management of the park, including roads, bridges, buildings, dams, fences, breakwaters, seawalls, boathouses, landing stages, mooring places, swimming pools, oceanariums and underwater tunnels;
- allow visitors to the park;
- take steps to ensure the security and well-being of visitors and staff;
- provide accommodation and facilities for visitors and staff, including the provision of food and household supplies;
- carry on any business or trade necessary to provide services for the convenience of visitors and staff;
- collect fees for entry to the park or any service provided by it;
- appoint service providers; and
- conclude co-management agreements.

The jurisdiction of the ECPB, in terms of the ECPB Act, is limited to provincial parks. However, the ECPB Act cannot be read in isolation because inside the boundaries of these provincial parks there are different kinds of protected areas that require certain actions from the ECPB areas proclaimed in terms of the Mountain Catchment Areas Act, the National Forests Act, and the Marine Living Resources Act, and areas proclaimed by multi-lateral environmental agreements such as the World Heritage Convention, and the Convention on Wetlands of International Importance (RAMSAR).

2.4.3 Current approach and Philosophy to Conservation Management in Provincial Parks

The stated objectives of the Provincial Parks Board Act (Eastern Cape), 12 of 2003 are:

- (a) *To provide, within the framework of the National Environmental Management Act, for the declaration and management of provincial parks;*
- (b) *To give effect to international agreements on protected areas which are binding on the Republic;*
- (c) *To provide for co-operative governance in the declaration and management of provincial parks; and*
- (d) *To provide for the management of provincial parks in accordance with the provisions of the Eastern Cape Environmental Conservation Act.*

A primary task of the Eastern Cape Parks Board is to ensure the protection and conservation of biodiversity within the Provincial Parks of the Eastern Cape. Current best practice conservation management implies that the Provincial Parks are thus managed as representatives of the biodiversity of the region within which they are based.

Thus, the task of the ECPB encompasses not only the conservation of the diversity of landscapes, ecosystems, habitats, communities, populations, species and genes that occur in the relevant regions of the province but also the processes which maintain this diversity.

Past management, as well as the current management of many adjacent lands, actively encourages the use of alien species of large mammals. Thus, in meeting their mandate there is a strong component of rehabilitation as well as conventional management of natural systems.

Since its establishment in 2004, the core business of the ECPB was to achieve its conservation target, to expand the protected area network and to contribute to the development of the economy of the province. The ECPB considers itself an exponent of the principle of the sustainable use of natural resources and that it must contribute to the improvement of the economy of the province. To this effect, one of the key shortcomings identified by the ECPB is its inability to actively pursue the stewardship programme to increase the protected area portfolio through this means.

In order to attain these objectives it is necessary for the ECPB to play an active role in the environmental management in the province. The stated vision of the ECPB is: *'To be a premier entity in managing biodiversity through mutually beneficial partnerships by 2010'.*

To be able to achieve its vision the ECPB undertakes best practice conservation management and sustainable utilisation of natural resources within the Eastern Cape provincial parks, in partnership with communities and other stakeholders.

Relating to conservation management in the provincial protected areas, the ECPB has adopted the following strategic goals for the 2006 to 2010 period:

- *Institutionalise biodiversity best practice* – improve on the process of biodiversity management,

- *Optimise links between biodiversity management and economic development initiatives* – strengthen the links between biodiversity and economic initiatives by introducing innovative programmes,
- *Linking people and parks* – increase the participation and engagement of people in the management and development of parks for mutual benefit

In the application of their mandate and in implementing its mission the ECPB considers the primary role of protected areas to conserve and to serve as a benchmark for indigenous biodiversity which includes maintaining ecosystem functionality. In this regard, the control of alien and listed invasive species plays an important role and has therefore been identified as requiring a provincial policy which was published in 2009.

Equally so, the ECPB published a policy to formulate its approach to the management of large mammals in protected areas, taking into account the possible impact such management could have on the integrity of the ecosystems that need to be conserved.

2.4.4 Commercialization of Parks and Expansion Strategies in the Eastern Cape

The Eastern Cape Parks Board (ECPB) manages 20 nature reserves located throughout the rural Eastern Cape Province. Upon establishment in 2004, the ECPB inherited huge infrastructure backlogs. Huge strides have been made in attempting to reduce these backlogs but the extent of the backlogs and the amount of funding required is way above the current grant allocation. The overall financial needs of the ECPB have been assessed through the process of developing a comprehensive business case. The impact of the merger with the Eastern Cape Tourism Board and the possibility of an extended mandate were considered in this process.¹¹

The ECPB has undertaken various feasibility studies which have been conducted to highlight the eco-tourism opportunities at flagship reserves in the parks estate, but the realisation of these opportunities is dependent of the extent of funding that the ECPB can secure. The ECPB further noted that for eco-tourism to be adequately advanced, the following four elements would need to be considered when developing such products:

- The natural environment
- Ecological and cultural sustainability
- Education and interpretation
- Economic benefits at the local level

For the 2010/11 financial year, the ECPB has strategically prioritized its eco-tourism and related reserve infrastructure development and upgrade plan to meet its

¹¹ECPB, unpublished document on tourism commercialisation infrastructure plans, submitted to Provincial Treasury, 2009

strategic objectives, in line with the objectives of the provincial government of the Eastern Cape Province. In this regard the board noted the need to develop revenue streams to supplement its existing primary source of income, the transfer payment from the provincial government. In its submission, the ECPB noted the following:

*'It is recognized that tourism can make a major contribution to economic development in the rural areas of the Eastern Cape, and would have multiple objectives, namely to generate revenue for conservation; create jobs and SMME's, especially for the benefit of impoverished neighbouring communities. In order to offer a quality eco-tourism product, the reserve infrastructure such as roads, fencing and staff accommodation needs to be addressed so that the whole reserve visit provides an authentic and rejuvenating experience to our tourists.'*¹²

According to the ECPB in order to achieve this objective, the appropriate eco-tourism destinations, facilities, infrastructure, products and services will need to be developed. The Province and ECPB have major backlogs in the provision of bulk infrastructure, which will also need to be addressed in order to develop meaningful and successful eco-tourism products to be developed by the ECPB.

However, notwithstanding the efforts of the ECPB in this regard, this is one instance where improved coordination and the pursuance of greater synergy between the ECTB and the ECPB could potentially produce better effectiveness and impact, whilst facilitating a better streamlining of resources in the process. This is especially relevant when considering the core mandate of the ECTB and the role it is meant to play in coordinating training, awareness and access to the tourism sector in the province.

Similarly, this could be extended to the rest of government, across all spheres where the infrastructure requirements of the parks should start to find expression in the existing integrated development plans across all district and local municipalities. Furthermore, as tourism products in their own right, these relevant infrastructure requirements such as the construction of roads should be packaged and included in existing plans for rural access roads, currently prioritized in the provincial department of Roads and Public Works. In this regard the ECPB should be ensuring the coordination of these plans in partnership with the relevant infrastructure departments and local government, where they are located.

Lastly, current commercialization plans will not be sustained and mainstreamed into the existing tourism and district economic growth strategies, if not properly coordinated at a district level. Ideally, the parks identified with viable tourism potential should form part of the various District Growth and Development Strategies (DGDSs) and as such tourism development initiatives in and around these parks should already have been included in the DGDS agreement between the ECPB and local government in the province.

¹² *ibid*

3. Policy Rationale and Critical Review

3.1 Institutional Review and status quo analysis: Tourism Board (ECTB)

3.1.1 Strategic case

The goals, objectives and programmes of tourism development should primarily be concerned with addressing the historical, socio-economic and spatial realities of the Eastern Cape, including the spatial bifurcation between the East and West of the province; reliance on social grants, high levels of poverty, unemployment and inequality as well as the distribution of access to quality social services largely correlating with race, class, gender and spatial features. One of the most prominent features of the Eastern Cape Province is its predominantly rural nature, which lends to both the realities of poverty and inequality in the province, as well as its potential for tourism development as a result of its abundance of natural and cultural heritage resources.

The current (and potential) tourism market in the Eastern Cape is dictated by tourism demand and the programmes and policies that give impetus to tourism supply in the province, as well as the critical challenges related to both of these drivers. Statistics related to tourism demand, reveal that the Eastern Cape received only 7.7% of foreign visitors entering South Africa in 2004, and that figure subsequently dropped to 6.6% in 2008 (less than Gauteng, the Western Cape (WC), KZN, the North West, Mpumalanga and the Free State). This fact is anomalous considering that the province has nature-based activities as well as beaches and cultural and historical heritage, all of which are the top three activities foreign tourists engage in when visiting South Africa. This anomaly points to significant gaps in either marketing, product development or other factors.¹³

Tourism development in the Eastern Cape possesses significant potential for advancing the development of sustainable rural livelihoods in the province. This has already been identified as a key non-farm economic activity within the current Eastern Cape Rural Development Strategy, and has also found strong resonance in the newly revised Provincial Tourism Master Plan (PTMP) for the Eastern Cape. Emanating from the detailed status quo report compiled in preparation of the PTMP, the following observation was made in this regard:

'Rural areas especially when poor and marginalised usually offer very few development opportunities. However, because of the often pristine natural environment in such areas, they are often sought after by tourists looking for eco-tourism, nature based tourism, adventure tourism and more rural tourism experiences. In addition to this, rural areas are often the custodians of

¹³ Eastern Cape Tourism Master Plan, 2009

*traditional arts and crafts making opening further possibilities in the tourism sector.*¹⁴

This indicates a significant opportunity for job creation within the sector for the Eastern Cape, if the sector is better coordinated and allowed to grow its contribution to the provincial economy, by resolving the challenges it faces¹⁵. Underpinning the Tourism White Paper (1996) and the job creation opportunities to be derived from the development of tourism in South Africa and its potential to accelerate transformation through its potential to accommodate SMME development (particularly for HDIs) this cannot be underscored in the context of the Eastern Cape with its high unemployment rate, and poverty. With its low barriers to entry and high job absorption rate, the potential for reducing unemployment must be leveraged by all role players, and therefore places a greater emphasis on the need to resolve current institutional challenges which mitigate this from happening in the province.

Similarly, the 2009 Policy Speech by the MEC for Economic Development and Environment Affairs has clearly articulated a policy shift and re-alignment of departmental efforts in support of the implementation of comprehensive rural development in the province, which remains broader than agrarian transformation and related farming activities that have typically come to dominate our interpretation of rural development. However, this should also include the development and emergence of vibrant non-farm economic activity within rural areas, which would afford local communities an opportunity to utilise and leverage assets such as the natural environment, social capital, indigenous knowledge systems, and the land in the creation of sustainable livelihoods within these areas. It is in this context that the DEDEA has acknowledged the role to be played by the department and its agency value chain in advancing rural development. This has been prioritised as a critical policy area of focus for the DEDEA for the next five (5) years.

'The second focuses on the contribution that DEDEA can make within existing frameworks and interventions for the rapid advancement of rural development, in order to address the spatial distortions and high levels of poverty brought about by Apartheid economic and spatial planning distortions. In this regard we refer specifically to the situation of underdevelopment in the former Bantustans.'

In most instances it is these very characteristics that make an area rural, which serves as the draw card or attraction for tourists to that location. It is the natural heritage preserved within these areas that make them so appealing to international visitors in particular, and which is unique to South Africa, and in most instances to the Eastern Cape with its vast natural attractions.

This has been identified by both the ECTB and the ECPB in the development of their plans moving forward. Both recognise the need for, and their role in, advancing

¹⁴ Tourism Master Plan, Status Quo Analysis (2009)

¹⁵ Eastern cape Provincial TMP, 2009

comprehensive rural development. In this regard the ECTB has outlined in its recent five year strategic plan (September 2009) that the five broad focus areas for the board over the current MTSF will include: *'Improving the quality and quantity of tourism products developed, with a specific and biased investment in rural tourism'*.

This therefore places the provincial parks estate and their parks critically located within the eastern region of the province, particularly those in the former Transkei along the Wild Coast, at the centre of the provincial government's current developmental trajectory. These locations therefore can no longer be seen as outside of the broader socio-economic and developmental agenda of government. Instead, it is critical that the province and DEDEA see these locations as *'ground zero'* or as a necessary *'zone of impact'* for advancing sustainable rural development through the development of appropriate tourism products in these protected areas. Tourism product diversification and development beyond what currently exists in the provincial parks can create considerable opportunities for local rural communities, in and around the parks, which could be driven by the expansion of concessions for such activities through the establishment of CPPPs and PPPs.

It is therefore clear that the scope exists to improve employment and income through the tourism sector, thereby contributing to the economic development within the province as a whole. However, in order to achieve this, tourism development interventions need to be prioritised, given budget allocations to effect tourism development, and need to take place under the co-ordination of the relevant departments and entities. The province therefore has an important role to play in the development of tourism to stimulate the provincial economy.

Specifically, the Tourism White Paper (1996) and the Constitution of the Republic of South Africa 1996 mandate provinces within the country to create an enabling environment for tourism development to take place, and that such development must be based on sustainable practices, through co-operation between stakeholders which would ideally result in the development of previously disadvantaged communities.

It is clear that there are a number of key priority areas that need to be addressed to facilitate tourism development in the province. It is also clear that the focus is largely on the 'developed' sectors of society without a key focus on the poor. It is important for the province to recognise that tourism must operate as a system within the Eastern Cape and that all key components need to be in place in order to maximise the growth of the tourism sector and maximise the developmental role that the sector has. These are as follows:

- Tourism product development
- Marketing
- Human Resource Development
- Infrastructure
- Transformation of the tourism sector
- Tourism research and information

- Management of the tourism sector
- Tourist safety and security

As a priority, the province can support transformation through community based tourism initiatives, bearing in mind the aforementioned priority areas that are earmarked to facilitate tourism development. One such initiative is pro-poor tourism, which unlocks opportunities for the poor rather than expanding the overall size of the sector¹⁶. These opportunities include economic gain. Other livelihood benefits of participation in decision making pro-poor tourism are seen as an approach to the tourism industry, rather than a distinct product or a sector of the industry. It advocates participation by a range of stakeholders, including government, private sector and civil society, as well as by the poor themselves as both producers and decision-makers. Tourism's pro-poor potential derives from the fact that:

- The tourism industry is diverse which increases the scope for participation, including that of the informal sector.
- The customer comes to the product thus providing opportunities for linkages (for example, souvenir selling).
- It is highly dependent on natural capital and culture that are some of the assets that the poor have even if they do not have financial resources.
- It can be more labour intensive than manufacturing.
- Compared to other modern sectors, higher proportions of its benefits go to women¹⁷.

The concept of pro-poor tourism is different to, but overlaps with, the concept of sustainable tourism. Sustainable tourism focuses mostly on mainstream destinations, often in the North, while pro-poor tourism focuses where the poor are to be found, largely in the South. In sustainable tourism, environmental concerns dominate, *but in pro-poor tourism, poverty is the primary goal*¹⁸.

Pro-poor tourism differs from, but overlaps with, eco-tourism and community-based tourism. With eco-tourism, benefits are distributed as incentives for conservation. With pro-poor tourism, the aim is to deliver net benefits as a goal in itself, and environmental concerns are just one part of the picture. With community-based tourism, the aim is to involve local people in tourism, but pro-poor tourism moves beyond community focus, aiming to unlock benefits and opportunities for the poor at various levels and scales of the entire operation.

Strategies for pro-poor tourism focus on three areas: increased economic benefits, non-economic impacts, and policy process.

- Strategies focused on economic benefits include expanding business and employment opportunities for the poor. These also include benefits for the wider community.

¹⁶ Ashley, Goodwin and Roe 2001

¹⁷ Ashley, Goodwin and Roe 2001

¹⁸ Ashley, Goodwin and Roe 2001

- Strategies focused on non-economic impacts include building of the capacity of the poor and empowering themselves. These strategies also include mitigating the environmental impacts of tourism on the poor. This is important since tourism can occasionally lead to the displacement of the poor from land on which they depend, which has been an historic trend in the early evolution and development of the tourism and conservation sector during the apartheid regime. Also, these strategies address social and cultural impacts of tourism.
- Strategies focused on reforming policy processes include building a more supportive and planned framework so that policy does not inhibit progress in pro-poor tourism.
- These strategies must also include:
 - Promoting participation of the poor in decision-making processes, and
 - Bringing the private sector into partnerships that have benefits accruing to poor people¹⁹.

This approach is particularly important when identifying approaches and methodologies to be applied in ensuring the participation of communities historically dispossessed of their land. These are mostly located in the rural hinterland of the province, where these communities were removed from their land to make way for conservation under the previous regime. This typically characterises the current land claims and ownership disputes sited by the ECPB as an impediment to the commercialisation of its parks. However, if managed better and in deploying an approach identified above the province could more effectively facilitate the empowerment of rural communities through ongoing co-management activities, and in the development of joint ventures with established private investors in the parks through targeted eco-tourism and other tourism related activities in and around the parks estate of the Eastern Cape.

Despite all of its advantages, as noted in the Tourism Master Plan, tourism in the Eastern Cape has not been realized to its full potential. However, the Tourism contribution to GDP rose significantly since 1995 (4%) to around 10% in 2008. According to SA Tour (2008), the Rand value of the Eastern Cape contribution to GDP-R was R10.3bn in 2007 and experienced a slight decline to R10.0bn in 2008.²⁰

Tourism development in the Eastern Cape can therefore largely be described as a 'missed opportunity', which has the potential to grow and contribute both directly and indirectly to economic growth and development in the provincial economy. It is possible for tourism in the Eastern Cape to act as an engine of growth for the economy, and achieve significant economic objectives for the province, which can translate to the attainment of its most pressing social objectives, namely poverty and unemployment. This is especially true when considering that the province possesses all of the top three attractions foreign tourists want to experience when coming to the country, namely; nature based activities, beaches, and cultural and historical

¹⁹ Ashley, Goodwin and Roe 2001

²⁰ SATOUR Annual Report, 2009

heritage. The Provincial Tourism Master Plan continues to make the following observation:

*'This points to significant gaps in either marketing, product development or other factors. The province has the potential to become one of the most visited provinces in the country, but a significant amount of action is required by all stakeholders to achieve this.'*²¹

Tourism growth in the province has the potential to stimulate demand in almost all the sectors of the economy, and will filter throughout all of these by increasing demand production in them, thereby stimulating employment and reducing poverty.

Tourism is seen as a leading economic driver for the Eastern Cape, particularly its potential for unleashing job creation for the citizens of the province. According to SATOUR, tourism managed to directly influence employment in South Africa by the creation of 438 500 job opportunities in 2008, and 603 200 indirect employment opportunities in the same period. For the Eastern Cape, 22 456 direct job opportunities were created by tourism in 2008 and 30 891 indirect job opportunities in the same period, unfortunately declining by 13.7% and 8.6% respectively from 2007.²²

There are a number of indicators that contribute to the significance of tourism as a potential catalyst for economic growth, development and job creation. The National Spatial Development Perspective (2006) noted that tourism has become a key driver of economic growth in the 21st century. This is especially highlighted with the emergence of an upward trend in South Africa's growth since 1994, in line with the re-inclusion of South Africa into the broader global economy after decades of isolation.²³ In addition, this value proposition presented by the sector has been recognized in tourism policy development over the years, as observed by the TMP:

*'Historically, the role of tourism in development has essentially been analysed in terms of the economic impact that it has. However, today it is widely accepted that the role of tourism in development goes beyond the exclusive focus on the economic dimension. Increasingly, in developing countries, tourism is seen as a specific sector that should be encouraged as it can serve to diversify the economic base and/or to revive or integrate declining areas of the economy. Furthermore, tourism development is rapidly increasing the share of employment in many areas. Consequently, the tourism sector is becoming a key area of government policy making and intervention.'*²⁴

In developing the economic case for the merger, the content captured in the quotation cited above, is important in setting the scene for the economic contribution

²¹ Eastern Cape Provincial TMP, 2009

²² SATOUR Annual Report, 2009

²³ The Presidency, RSA, National Spatial Development Perspective (NSDP), 2006

²⁴ Eastern Cape Provincial TMP, 2009

to be made by the tourism sector in South Africa in general and the Eastern Cape in particular. This is observed against the backdrop of job losses and an ever shrinking manufacturing and industrial base in the province due to the impact of the global financial crisis and the subsequent recession that hit the domestic economy during the course of this year.

In this regard the pressure placed on government has been to mitigate the impact of the current economic crisis on those most vulnerable in our society, in particular the rural poor and those in the automotive sector in the province. This over reliance on the manufacturing sector in the Eastern Cape, and the automotive sector in particular, has exposed the provincial economy to significant exogenous risk in recent years. This has resulted in significant job losses and unemployment in the Eastern Cape, and has prioritised the need for diversifying the provincial economy and reducing the 'stress Index' in the Eastern Cape. Developing tourism has been identified as one of the fastest measures in driving diversification in the economy. This is due to the fact that tourism has the potential of driving the necessary forward and backward linkages for stimulating demand in almost all the sectors of the economy. This is seen as a result of its spending pattern, and that it remains a composite of a number of sub-sectors in the economy that represent tourism as an industry (i.e. hospitality, travel, entertainment etc). Stated differently, for every rand spent by a tourist, a portion of this goes indirectly to:

- Agriculture: Through food consumed
- Manufacturing: Through gifts, clothes, consumables and other manufactured goods consumed
- Trade: Through wholesale and retail
- Transport: Through use of air, road and rail travel
- Communication: The utilisation of telephone, and cell phone networks
- Finance: Through assurance, and foreign exchange, and
- Government services: Through payment of taxes, tariffs and levies

The indirect contribution of tourism to these sectors is often undervalued, and requires more sophisticated methods of analysis such as econometric modelling and cost-benefit analyses. The most useful and frequently used model is '*input-output analyses*' for quantifying the economic impact of tourism on other sectors, and is able to generate multipliers to determine the indirect impact of tourism in the economy. The findings of an input-output analysis conducted in 2005 revealed the following serious policy implications for provincial governments in relation to tourism development:²⁵

- Proper tourism infrastructure is essential if tourism is to be used as a vehicle for development, since provinces with the smallest contribution to tourism but the most developed tourism infrastructure in South Africa receive the highest indirect rand revenue compared to other provinces.
- The creation of an economic environment conducive to the sustainable growth and development of small, medium and micro enterprises (e.g. local tour

²⁵P. Viviers, The economic contribution of tourism to selected provinces of South Africa

operators) are essential to limiting the 'leakage' of the economic benefits of tourists to other provinces.

- Provincial Tourism authorities in less developed provinces need to re-focus on the repackaging of products in order to reach specific target markets in order to reap the economic benefits of tourism in a similar manner to the more developed provinces.

The mandate of the ECTB requires that the entity place emphasis on the following areas over the next five years:

- provide for the development and management of the tourism industry in the province.
- packaging of tourism experiences and broadening the tourism product set.

In re-aligning its strategic plans during the current MTSF, the ECTB has set the following strategic objectives for the next five years (2009/2014):

- Ensure sustainability and viability of the organisation.
- Improve the quality and increase the quantity of tourism product offerings. In driving this objective the ECTB has identified the following sub-objectives:
 - Improving product development through collaborative efforts with other institutions.
 - Promoting integration of tourism, safety, infrastructure provision and transport access through integrated planning.
- Grow our share of the domestic and international tourism market. Sub-objectives include:
 - Building brand equity.
 - Increasing domestic and international tourists from target markets.
 - Increasing tourism spent to contribute towards the provincial GDP.
 - Creating awareness of the destination and its offerings.
- Provide credible tourism information.
- Enhance the legal compliance of the operators within the sector.

In line with its five-year plan, the ECTB has identified the following objectives within its Annual Performance Plan (APP) for the 2010/11 financial year:

- Intensified diversification of tourism product offerings;
- Increased participation in development planning processes on tourism development with relevant stakeholders;
- Multiplication of efforts to grow and sustain the domestic market share; building on the brand equity and gathering value from the visible and identifiable adventure province brand for the Eastern Cape;
- Ensuring availability of sustainable revenue sources for the ECTB, by:
 - Engaging the shareholder to increase funding from its current levels;
 - Amending rules and regulations to support the collection of levies and;
 - Increasing the pool of resources by engaging strategic partners, including government departments through providing a value benefit proposition for all partners.

3.1.2 Critical review

In terms of the current implementation of this mandate, the ECTB is confronted with the following key challenges, which continue to mitigate the effective implementation of its mandate:

- Poor levels of service and inadequate transport infrastructure in the province
- There is currently no systematic approach to measuring the impact or quality of ECTB's efforts
- The need to revise and re-design its organisational structure in order to position itself to deliver on its mandate and objectives
- Insufficient funding allocations from DEDEA

The following risks related to these strategic objectives were identified:

- The unknown quality of registered products and quantity of actual and available tourism products
- Illegal tourist guiding operations
- Lack of co-operative planning on tourism development and promotion between government departments, municipalities and public entities
- Inability to collect levies
- Inability to secure JMA's with key markets
- Image and reputation of ECTB
- Loss of international market share
- Inaccurate monitoring of tourism trends
- Ineffective packaging of tourism offerings

Critical institutional and management weaknesses in the ECTB have been identified in the Auditor General's report for the previous financial year.

An area of concern is the apparent significant gap between the tourism offering being marketed and that experienced by visitors.

3.2 Institutional Review and status quo analysis: Eastern Cape Parks Board (ECPB)

3.2.1 Strategic issues

The mandate of the ECPB is the management and conservation of biodiversity in the provincial parks located within the Eastern Cape Province.

In the fulfilment of this mandate the ECPB manages 20 distinct provincial nature reserves covering an area of 438,000 ha. The majority of which are currently subject to land claims. Additionally, the ECPB recognizes the need to link and integrate biodiversity management with local socio-economic development. However, by its

own admission, tourism development and management is not currently a core competency of ECPB.

ECPB has identified the following strategic goals for the organization in fulfilment of its mandate²⁶:

- Effectively manage systems of protected areas
- Link biodiversity conservation and local socio-economic development
- Manage a functional, competent and sustainable organisation

A preliminary reserve analysis has been completed for all reserves with a view to identifying tourism development opportunities. Towards the identification of these tourism products and development opportunities, the ECPB has completed feasibility studies for a number of reserves identified within its current commercialization strategy.

Regarding eco-tourism development:

- ECPB has established a Commercialisation Unit.
- ECPB has prepared a commercialization plan.
- ECPB recognizes:
 - The potential for eco-tourism to contribute to ECPB's core mission of biodiversity conservation and to contribute to local community upliftment by means of employment, skills training and gain sharing.
 - The need for eco-tourism product development that is based upon demand and competitor analyses in order to develop eco-tourism products that are appropriate to attractive target market segments.
 - The challenges inherent in pursuing PPPs as a strategy for eco-tourism product development. These challenges are viewed as:
 - lack of inherent commercial viability and long payback periods,
 - long implementation timelines
 - high transaction costs,
 - lack of attractive bids from the private sector
 - the reluctance of the private sector to invest heavily in "bricks and mortar",
 - the complexity of legislation and National Treasury regulations and the consequences of commercial failure by the private sector partners.
 - Potential conflicts between commercialization and conservation
 - That commercially acceptable returns on investment may be difficult to achieve in most eco-tourism initiatives and that government grant funding may thus be an ongoing dependency.
 - Given the pre-eminence of conservation objectives and in the light of the likelihood of inadequate commercial returns on financial investment, that an appropriate basis for measuring return on investment would be against conservation targets and performance against strategic objectives rather than pure financial returns. Included in the scope of the strategic objectives is "the

²⁶ ECPB Business Case, 2009 and ECPB Annual Report, 2008/2009

support and mentoring of local communities to build capacity and skills that reserves can potentially acquire.”

ECPB seeks to apply the following principles and guidelines to eco-tourism development:

- Commercial activities will be undertaken if they make a positive financial contribution to the ECPB.
- Local economic development will be achieved by:
 - Ensuring that Black Economic Empowerment is an important evaluation criterion in awarding contracts.
 - Procurement processes giving preference to local service providers, particularly SMMEs;
 - Creating new employment opportunities both during construction and operation;
 - Providing training opportunities and developing the tourism and hospitality skills of local community members;
 - Broad based community support for tourism developments will be promoted by:
 - Facilitating public participation by local communities in the planning of the reserves and the eco-tourism developments; and
 - Equity participation by previously disadvantaged communities in the operations.
 - Creating opportunities for community projects that can be integrated into the reserves and eco-tourism developments; for example, establishing retail outlets for crafts in the reserves.

3.2.2 Critical review

In a SWOT analysis of the ECPB's the following key strategic challenges²⁷ were identified:

- Securing an extension of its legislative mandate to allow ECPB to undertake conservation activities at a Provincial level as opposed to within declared Parks only.
- Developing and expanding eco-tourism products in the province in order to contribute to socio-economic upliftment and development.
- Raising significant levels of additional funding for the primary purpose of achieving its conservation and eco-tourism objectives.
- Closing the significant human resource skills gaps that exists across all levels of the organisation
- Securing a satisfactory resolution to the land claims that affect approximately 90% of the current provincial parks.

Regarding the current state of the protected areas in the province the following issues were identified:

²⁷ *ibid*

- There are negative perceptions of the tourism experience and concerns relating to personal safety.
- The current tourism product appeals to limited segments of the tourism market.
- The tourism offering is regarded as inferior to the private (and some national) game parks.

In the development of tourism development plans and strategies the ECPB must take cognizance of and integrate a number of factors and constraints, including:

- The current lack of funding
- The threat of land claims
- The current state of infrastructure
- The availability of basic services (water, electricity, sanitation)
- The tensions between commercial and biodiversity objectives
- Target market analysis and development of appropriate tourism value propositions
- The adequacy of commercial returns on infrastructure investment and the associated need for ongoing grant/subsidy funding
- The alignment and integration of tourism development plans with neighbouring tourist attractions and initiatives
- Social development and economic empowerment objectives

4. Problem statement

The application of the status quo has created the space for a number of strategic challenges within the current model to surface. Thus bringing government to the point at which it must begin to seriously consider possible alternatives or to continue doing '*More of the same*' and thereby perpetuating the current problems confronting tourism development in the province, as well as biodiversity conservation management in the Eastern Cape. In line with this, the following issues have emerged out of the situational gap analysis, which warrant a closer assessment and review of possible options aimed at responding to the status quo.

These have been distilled as follows:

- The opportunity that exists to grow the number of international and domestic tourists visiting the province must be tapped into by managing the gaps in product supply, marketing, information available to tourists, as well as road and transport infrastructure to ensure that the province captures a greater share of the international tourist market.
- The development of higher value products (nature reserves, cultural and heritage products) needs to take place in the context of other interventions, such as marketing and information provision to attract users of these products.
- Urgent policy interventions are required, particularly with regard to the complementarities between the tourism and biodiversity conservation functions, which are currently being carried out separately by the ECTB and ECPB. Recent developments have highlighted a symbiotic relationship between nature tourism, environmental conservation and sustainable development.
- The link between biodiversity and eco-tourism has not been sufficiently exploited, and a stronger focus must be placed on strategic interventions which can embrace the entire tourism industry.
- Tourism, as a key role-player in the economy of the province, needs a more strategic consideration at provincial and local level, particularly in addressing capacity constraints with regard to infrastructure development, investment promotion and resource allocation.
- Government intervention and support for Tourism at a municipal level (where tourism and conservation "happens") is critical.
- The current inability to grow its own revenue base in the status quo.

The current situation in the Eastern Cape where the two separate entities are responsible for tourism and conservation has created the challenges (as listed in the paragraphs below) for the Eastern Cape Government in its endeavor to manage the tourism, conservation and protected areas in the province.

4.1 Strategic challenges

4.1.1 Overlap and duplication in the management and resourcing of these entities by DEDEA will persist, as these are linked to:

- Current operating and institutional implications, linked to the existence of two separate boards and duplicated corporate services (Human Resources, Finance, Information and Communication Technology, etc),
- Current demand for greater accountability and value for money in operations of Public Entity's could advance a legitimacy crisis. This is relevant in considering the overlaps in focus (i.e. tourism marketing, product development and promotion, and investment promotion), which could be communicating conflicting messages to stakeholders and the public.

4.1.2 Insufficient strategic alignment to leverage each other's strengths and offerings

- The need to resource separate marketing focus areas, which could be better aligned for greater synergy and positioning of the parks product offering in the overall destination marketing and tourism investment strategy of the EC,
- Investment promotion efforts (being separately driven in both entities) in current tourism products and in parks commercialisation strategy will remain scattered and confusing to potential investors.

4.1.3 Weaknesses in oversight and strategic coordination will persist:

- Currently, infrastructure remains challenged in and around the parks, and private sector investment is being sought for partnerships in commercialization of these assets, for the benefit of local communities and in support of conservation management. In the current scenario this will not improve, since:
 - Performance reporting and coordination of activities remain challenged.
 - This will not improve the possibilities for better coordination of investment either, as legitimacy and credibility remains challenged due to these weaknesses in coordination.

4.2 Economic challenges

4.2.1 Coordination of economic stimulus strategies

The status quo has *not been able to coordinate and drive the necessary economic stimulus strategies* to attract investment and growth in the tourism sector in the Eastern Cape. Therefore, the economic potential for growth, jobs, access and

economic empowerment in the province has not been unleashed. Currently, there is no indication that this will change in delivering *'More of the same'*.

4.3 Commercial viability

4.3.1 Current challenges to commercialisation

The current approach to commercialisation leads to the following challenges;

- Increasing infrastructure funding for investment in tourism product development in the targeted parks,
- Improving transport and related public infrastructure for tourism development across the province.

4.3.2 Decrease in generated revenue

ECPB's ability to generate own revenue has decreased from 28% (of total budget in 2005) to 5% in (2009). This is an important consideration as the downward trend coincided with the 2004 establishment of the separate entity. These statistics also do not compare favourably to other Provincial Parks and Tourism Agencies, which operate as a single entity.

4.3.3 Inconsistencies in spending

The difference in spending for destination marketing and product development between the two agencies, even though there are clear opportunities for synergy, will continue to challenge the viability of current strategies within both entities, as evidenced in:

- Duplication of marketing efforts, and participation at trade fairs and expos,
- The inability to find better synergy between the current commercialisation strategy in the provincial parks and the emphasis on tourism product development and sector investment required for commercialisation to be adequately realised.

4.3.4 Inability to establish the Tourism Fund

The current challenges to establish and deploy the envisaged *'Tourism Development Fund'* for the province may remain unaccomplished in the status quo. The ECTB has been unable to effectively coordinate and support DEDEA in actioning this initiative through the tourism industry. The fundamental challenge in *'More of the same'* relates to what the Tourism Master Plan refers to as the necessary critical success factors, namely:

- The leadership (and legitimacy), and improved coordination, to mobilise funding which has been identified as a strategic weaknesses in the status quo.

- This response, as stated in the strategic dimension to the merged scenario has already indicated that the above is derived from better and more effective streamlining of the interface between DEDEA and a single entity.

5. The New Policy Direction

The MEC has reviewed his department's policy responses and priorities and identified five focal areas, or strategic themes for the department:²⁸

- 1. The first policy dimension deals with the realignment and streamlining of the department and related public entities to increase effectiveness and efficiencies. In other words: Enabling us to produce more high impact interventions with fewer resources. This also necessitates strong co-ordination with local and district municipalities to ensure synchronisation of programmes.*
- 2. The second focuses on the contribution that DEDEA can make within existing frameworks and interventions for the rapid advancement of rural development, in order to address the spatial distortions and high levels of poverty brought about by apartheid economic and spatial planning. In this regard, we refer specifically to the situation of underdevelopment in the former Bantustans.*
- 3. The third policy dimension focuses on the protection, diversification and expansion of our manufacturing sector;*
- 4. The fourth will focus on the expansion of the services sector, as a means to fast-track economic development. Key in this regard are efforts to find new opportunities for economic development, whilst ensuring that existing enterprises are able to absorb and survive the impacts of the global economic crisis.*
- 5. The fifth policy dimension focuses on sustainable natural resource and land-use management, to achieve a balance between economic growth and sustainable use of natural resources.*

These policy focus areas provide an important sign post for the overall direction the DEDEA and the ECPG intend taking towards addressing the critical economic imperatives of the current five-year term of government.

The first two policy dimensions provide the impetus for the merging of the current public entities. The same provincial department is overseeing the ECTB and the ECPB, their operations are similar and in some cases overlapping and their operations are to a great extent focussed on the same geographical areas. This situation leads to inefficiencies and cost-ineffectiveness. The DEDEA supports a policy to merge the entities into one in order to reduce cost inefficiency and overlaps in addition to improving coordination between the two entities.

The new entity must be established in terms of a provincial act and subject to the PFMA. The MEC will remain the executive authority of the new entity, and the board its accounting authority. Functions and powers must support the objectives and principles of the new entity, as well as national and international imperatives.

²⁸ DEDEA 2009 Budget Policy Speech, by MEC M Jonas

The DEDEA proposes a new policy direction where a single public entity is empowered to give effect to the response options listed in paragraph 4. The establishment of a single public entity to manage tourism, conservation and protected areas in the Eastern Cape, has the potential to eliminate overlaps in relation to operational and institutional aspects, such as two Boards and the duplication of corporate support.

Creating one public entity, by merging the current ECTB and ECPB, has the potential to ensure that the much needed strategic alignment between the functions of tourism and conservation is effected. Tourism is dependent upon conservation and conservation in turn is strengthened through the income derived from tourism. Creating one public entity will create the opportunity to address economic challenges in a consistent manner, therefore strengthening the impact of the efforts of the entity.

Simplifying institutional arrangements by merging the two public entities into one has the potential of rendering oversight and governance of the new public entity more effective.

A skills audit needs to be undertaken in establishing the new public entity to ensure that the current skills present in the two entities are sufficient. Additional skills that are required must be identified and the skills need to be sourced.

6. Objectives and Principles

6.1 Objectives of the legislation

To provide for the establishment of the Eastern Cape Tourism and Parks Agency in order to develop and manage protected areas in the Provincial parks and to promote and facilitate the development of tourism in the Province. The legislation will

- Confer powers, functions and duties upon that Agency;
- Provide for the management thereof by a Board and the appointment of members thereof;
- Establish the Eastern Cape Tourism Development Fund and the Eastern Cape Natural Resource Protection Fund;
- Provide for the registration of certain persons and amenities involved in tourism;
- Provide for the collection of levies in respect of registered persons and amenities;
- Provide for the inspection of premises;
- Provide for transitional arrangement and matters incidental thereto.

6.2 Guiding Principles

The promotion of tourism and tourism development and the protection of the fauna and flora in the provincial protected areas will be guided by the following legislative framework:

- The Constitution of the Republic of South Africa 1996
- Relevant national legislation
- Relevant provincial legislation
- Relevant national policies and strategies

7. Mandate and Functions of the New Agency

7.1 The Purpose for the establishment of the ECPTA

In line with the new policy direction articulated in this white paper, and towards the creation of decent jobs and in advancing economic growth, particularly in rural areas through tourism and conservation within the province, this policy has identified the need for an integrated model to effectively drive the management of tourism and biodiversity management in implementing these objectives.

To give effect to this integrated tourism and biodiversity conservation approach, government has further identified the need to merge the existing institutional model in the province and in so doing establishing the necessary enabling and institutional framework for creating the necessary synergy within existing conservation and tourism initiatives in the Eastern Cape.

It is for this purpose that the Eastern Cape Parks and Tourism Agency (ECPTA) is to be created.

7.2 Envisage Role of the ECPTA

The strategic role to be performed by the Agency within the Eastern Cape is derived from its Vision and Mission, which capture the strategic imperatives to be advanced through an integrated model for tourism development and conservation within protected areas of the province. The implementation of this envisaged model to be managed by the Agency is primarily aimed at improving the lives of rural communities and the community at large, through identifying and managing of greater synergy between biodiversity, conservation and tourism as an economic catalyst for growth and decent employment in the province.

The vision and mission of the Agency is informed by the following view on development, which acknowledges the value systems of Africa.

Development is often used as a synonym for *economic growth*, as measured by the year-on-year increase in Gross Domestic Product (GDP). However, the World Bank has described the challenge of development as an improvement in the quality of life²⁹; which represented a significant shift from the Bank's previous focus on *economic growth* as the measure and aim of development. While emphasising that a better quality of life requires growth in real income, the Report states that development also encompasses more equality of opportunity, greater individual freedom and richer cultural life, as ends in themselves. Development also encompasses independence, self-esteem and freedom from ignorance, human misery and servitude. These aspects were explored further in the World

²⁹ World Bank: World Development Report: 1991. Oxford University Press, 1991.

Development Report for 1994, which highlighted associations between infrastructure and development³⁰. That report confirmed the view that unfocussed infrastructure spending does not create economic development. Similarly, any kind of unfocussed investment, whether by government, the private sector or aid organisations will not deliver sustainable results.

Development would thus mean an increase in the development index for people, which is determined by growth in real income, more equality of opportunity, greater individual freedom, richer cultural life, independence, self-esteem, freedom from ignorance, human misery and servitude through focused input of effort and infrastructure investment.

The Vision of the ECPTA

Improving the quality of life in the Province of the Eastern Cape through tourism development and conservation management for the sustainable benefit of its people and their natural heritage.

The Mission of the ECPTA

Leading tourism development and conservation in the Eastern Cape towards sustainable economic growth, and empowerment for the benefit of its people.

7.3 Powers, Functions and Strategic Objectives of the ECPTA

7.3.1 Strategic Goal 1:

Maintain an integrated developmental model for Tourism and Conservation in the province

Strategic Objectives

1. Facilitation of strategic leadership in tourism and biodiversity conservation in protected areas through the development of the necessary strategic perspectives
2. Input into other strategic frameworks of the ECPG (i.e. PGDP, SDF, PIDS, and RDS) through improved Intergovernmental and stakeholder coordination
3. Compliance monitoring in protected areas under its jurisdiction
4. Development and maintenance of the necessary Research and monitoring systems for both tourism and biodiversity conservation

The functions of the ECPTA, critical to the attainment of these strategic objectives relate to the following:

In terms of strategic leadership in tourism and biodiversity conservation in protected areas through the development of the necessary strategic perspectives, the Agency will undertake the following functions:

³⁰ World Bank: World Development Report: 1994. Oxford University Press, 1994.

- a. Position tourism and conservation as critical sectors in advancing government's economic and social development objectives
- b. Provide strategic leadership and direction in the development of the tourism industry in the province as a catalytic sector for economic growth and socio-economic development in the province, and the empowerment of historically disadvantaged communities in particular
- c. The Agency must leverage government, and other public sector initiatives, for more efficient and effective performance and resourcing of tourism and conservation in the Eastern Cape, through initiatives such as:
 - Attraction of donor funding
 - Co-operative agreements (bi-lateral and multi-lateral compacting), both domestically and abroad
- d. The ECPTA should also consult, partner and engage with all relevant stakeholders, domestic and globally, in the exercise of its functions. These could include:
 - Local communities
 - Traditional Leaders
 - Owners of tourism enterprises and owners of natural resources (including land, and other tourism and conservation products)
 - Private investors
 - The whole of government, across all of the spheres

In terms of providing input into other strategic frameworks of the ECPG (i.e. PGDP, SDF, PIDS, and RDS), through improved Intergovernmental and stakeholder coordination, the Agency will undertake the following functions:

- a. In facilitating the above, the Agency should ensure coordination in the advocacy of appropriate tourism development perspectives, which are to be integrated within all of government's transversal development planning instruments, such as:
 - The Provincial Growth and Development Strategy (PGDS)
 - The Provincial Industrial Strategy
 - Rural Development Strategy, and the relevant
 - Strategic plans of sector departments and
 - The Integrated Development Plans of all District and Local Municipalities
- b. Develop and maintain appropriate research and information management systems for the tracking of tourism activity, and its economic contribution in the province. This will include the development of a Provincial Tourism Satellite Account for the Eastern Cape, which would ensure the monitoring of the economic impact of ongoing initiatives in the province

7.3.2 Strategic Goal 2:

Ensure effective implementation of the Tourism and Biodiversity Conservation mandate in the Eastern Cape

1. Tourism destination marketing (destination branding, product portfolio marketing, special packages)
2. Optimise linkages between biodiversity management and the socio-economic benefits to be derived
3. Biodiversity conservation management in protected areas, in line with 'people and parks' approach to co-management
4. Tourism business development
5. Infrastructure management (development, maintenance)
6. Investment promotion (investment opportunity scoping, investment management) of commercialisation strategies of the agency
7. SMME development and empowerment of HDIs (training, opportunity, information sharing)

The functions of the ECPTA, critical to the attainment of these strategic objectives relate to the following:

In terms of Tourism destination marketing (destination branding, product portfolio marketing, and special packages) the Agency will undertake the following functions

- a. The development of appropriate tourism marketing strategies, attracting international and domestic tourists to the province
- b. Market the Eastern Cape as a preferred destination for international, regional and domestic tourists, *whilst ensuring that its tourism offerings in its provincial parks are adequately positioned in its marketing initiatives*
- c. Implement appropriate tourism development initiatives and programmes in the province
- d. Facilitate the enhancement of the level of standards of tourism products and services being offered in the tourism industry, including tourism products within the provincial parks

In terms of Optimise linkages between biodiversity management and the socio-economic benefits to be derived therein, the Agency will undertake the following functions:

- a. Grow own revenue in the provincial parks through expanding the tourism value base within these protected areas, and ensuring the participation of local communities within identified tourism offerings within the provincial parks.
- b. Lead and facilitate the development of Public Private Partnerships (PPP) and Community Public Private Partnerships (CPPP), as part of the current co-management processes in parks where viability for tourism opportunities have been established.

In terms of Biodiversity conservation management in protected areas, in line with the 'people and parks' approach to co-management, the Agency will undertake the following functions:

- a. Controlling, managing and maintaining the protected areas assigned to the entity so as to exercise supervision and control of protected areas and to study wild animals and plant life
- b. Inventorying, assessing, monitoring and protection of natural resources in the protected areas including natural systems, biodiversity and ecological functions and processes and carrying out of such research and other scientific activities as may be necessary
- c. Carrying out research and other scientific activities in areas outside the protected areas to support the research, inventorying and monitoring of natural resources within the protected areas assigned to the entity. This function will have to be undertaken in close cooperation with DEDEA
- d. Make recommendations to DEDEA as regards all matters connected to protected areas, including land use and expansion plans
- e. Taking such steps as to ensure the security of animal and plant life in the protected area and appropriate ecological management of the area
- f. Undertaking functions required of the management authority of a protected area in terms of the relevant national legislation
- g. Participating in relevant public participation programmes to increase the protected area network throughout the province. As this function will entail activities outside protected areas this will have to be conducted in cooperation with DEDEA
- h. Undertaking law enforcement efforts inside the protected areas. Should it become necessary to undertake law enforcement activities related to infringements in the protected areas to areas outside the protected areas, this activity should be conducted in consultation with DEDEA
- i. Manage and control the numbers and spread of alien and invasive species as well as the spread and numbers of problem animals. In cases where activities should be conducted outside protected areas the activity should be conducted in consultation with DEDEA

Key issues for noting in relation to the functions noted above, are as follows:

- To undertake these functions it is imperative that an adequate staff establishment be developed for the ECPTA and that this establishment is adequately funded.
- The mandate of the ECPTA is expanded to conditionally include specific functional activities outside protected areas, such as:
 - The participation in relevant public participation programmes to increase the protected area network, and the facilitation of co-management and tourism development in the areas adjacent to, and beyond the boundaries of the parks
 - law enforcement
 - management and control of the numbers and spread of alien and invasive species

- management and control of the spread and numbers of problem animals

In terms of Tourism Business Development, the Agency will undertake the following functions:

- a. Maintain relevant database of all tourism attractions, facilities, infrastructure, services, natural and cultural attractions and where these exist in the province.
- b. For the purposes of the above the ECPTA must ensure the compulsory registration of all tour guides, tour operators, couriers, training providers, hotels and accommodation facilities, restaurants and designated tourist amenities. In doing this the ECPTA must lead the process through consultation engagement with the industry, and all relevant government agencies, whilst working with the department in effecting the necessary legal and regulatory enablers for this to be fast tracked.
- c. Linked to the above this must be extended to information on potential areas for tourism investment and potential (packaged) tourism investment opportunities in the Eastern Cape.

In terms of infrastructure management, the Agency will undertake the following functions:

- a. Constructing or erecting any such infrastructure and other works as it may consider necessary for the control, management or maintenance of the protected area. All such developments will be subject to the applicable environmental authorizations.
- b. Improve and maintain viable and sustainable infrastructure in and around the provincial parks, which enhance tourism potential, and promote the development of tourism concessionaires within the provincial parks estate as investment opportunities within the tourism market.
- c. In advancing the provisioning of the infrastructure noted above, the ECPTA must collaborate and coordinate these activities with the relevant infrastructure departments and agencies, both at a national and provincial level, whilst ensuring that these are facilitated through the IDPs and spatial development plans of district and local municipalities across the province. These should include transport (i.e. roads networks), as well as land use plans in the various districts.

In terms of investment promotion, the Agency will undertake the following functions:

- a. *The Agency must drive the promotion of investment in tourism opportunities and initiatives within the province, this will be done through:*
- b. The scoping of potential and viable tourism initiatives, in partnership with the Department (DEDEA), Local Government, communities and the private sector
- c. Packaging and coordination, with other investment promotion agencies in the province, of the value proposition for sustained investment in the tourism sector in the Eastern Cape, with a focus on the natural attractions and offerings located within the provincial parks

- d. Utilising and deploying the necessary market intelligence, its research and databases in ensuring the availability of information on investment opportunities in the province.

In terms of SMME development and empowerment of HDIs, the Agency will undertake the following functions:

- a. Ensure the establishment of the Eastern Cape Tourism Development Fund, which is currently nonexistent, for the purposes of empowerment and development of the historically disadvantaged, youth and women in the sector.
- b. In facilitating the above the ECPTA must finalise the development of the plan of action for the operationalisation of the fund, including the identification of an appropriate funding mechanism for this fund, which should include but not be limited to the creation of a provincial tourism development levy for the Eastern Cape, which will require careful consideration by ECPTA and DEDEA in its implementation.
- c. Facilitate, in partnership with government and other strategic partners, the development of skills within the tourism sector, and for the benefit of new entrants to the sector.
- d. The Agency must work with government and Treasury in the province in streamlining and better coordinating alignment of the current supply chain process in the ECPG as leverage towards the transformation and mainstreaming of BBEE in the tourism industry, when procuring tourism products (i.e. accommodation and conferencing facilities) in the market.

7.3.3 Strategic Goal 3:

Ensure excellence in business and resource management of the ECPTA

1. Business Management and Leadership
2. Strategic positioning (strategic and operational planning, structure and positioning around core business)
 - Organisational culture
 - Corporate governance practices
 - Business performance management
 - Human Resource Management
 - Financial Management
3. Information and Communication Technology Management (ICT)
4. Information/Knowledge Management
5. Asset Management (Fixed Assets and Consumables)

The functions of the ECPTA, critical to the attainment of these strategic objectives relate to the following:

In terms of Ensuring excellence in business and resource management of the ECPTA, the Agency will undertake the following functions:

- a. The ECPTA will ensure that it complies with good corporate governance and custodianship of its resources, inclusive of its human, financial and natural resources (i.e. fauna and flora). In doing this the ECPTA must undertake the following functions:
- b. In addition, the Agency must provide effective and efficient control of these resources in line with the relevant legislative legal requirements encompassing the management and performance of its mandate. This must be in full compliance with the PFMA, as well as all relevant legislative frameworks governing the management of biodiversity conservation and tourism development and promotion.
- c. In line with the strategic objectives captured in the preceding strategic goals of the Agency, it must actively and effectively pursue growing its own revenue base, through the deployment of an own revenue strategy, which would include the Eastern Cape Tourism Development Fund, and the newly proposed Eastern Cape Natural Resource Protection Fund
- d. Ensure the maintenance and implementation of the necessary organisational structure, human resourcing and overall institutional positioning to give effect to its core business.

7.4 Institutional mechanisms and interface with the mandating department (DEDEA)

The ECPTA will endeavour to work in collaboration with the department (DEDEA), in doing this there will be a need to establish a joint management committee composed of the ECPTA and DEDEA. This will facilitate the necessary coordination between the DEDEA as the mandating department and the ECPTA. In addition, this structure will allow for the envisaged strategic alignment for more effective impact through joint collaboration and support to the ECPTA as well as to streamline the effort between the Agency and DEDEA.

8. Governance Model

8.1 Strategic Planning and Reporting Framework

- a. In determining strategic plans and in developing its Annual Performance Plans (APPs), the ECPTA shall comply with the prescribed in the PFMA and existing treasury guidelines. The Agency shall ensure that these plans and their accompanying budget (MTEF) projections are developed jointly with the Department.

- b. In terms of the PFMA and the existing treasury regulations on the monitoring and reporting of financial and non financial information the new ECPTA will be required to provide quarterly performance reports to the MEC, via the HOD of DEDEA, which should comply with but not necessarily be restricted to:
- The state of affairs within the Agency
 - Ongoing activities, and operations of the Agency
 - The financial position of the Agency
 - In line with the above, this would need to include:
 - The extent to which the ECPTA is meeting its stated objectives, as determined jointly with the DEDEA as part of its Medium term and Annual strategic planning processes,
 - The relevant performance information regarding the economic, efficient and effective utilization of its resources. Included in this reporting framework is the need for the ECPTA to include the funds derived from public and private funding streams which are in addition to the transferred grant from the department (i.e. DEDEA),
 - Any information to be reported on the personnel establishment and composition of the ECPTA which have an existing or future impact on its effectiveness and ability to meet its objectives.
- c. Furthermore, annual reports of the ECPTA shall comply with the prescribed PFMA and Treasury regulations, which include the submission of audited financial statements for the year under review. These should be in full compliance with the process governing the necessary review and approval of public entity reports by the MEC prior to its tabling in the Provincial Legislature for adoption.

These reports must find, both annually and during the course of the year, the necessary interface with the legislative reporting processes put in place for ensuring effective executive accountability and interaction with the Eastern Cape legislature.

8.2 Composition and size of the board of the ECPB

The board shall not be composed of less than seven and no more than nine members, who would be required to bring the necessary and relevant expertise to this governance structure. It is also suggested that DEDEA actively pursue the inclusion of individuals with proven business acumen and experience in guiding commercialization and sector development strategies, whilst not losing sight of the need for the relevant conservation and scientific expertise that could assist in providing the required leadership of the ECPTA.

It will be important that the MEC further delegate the HOD and /or other senior official in the department to the board of the merged ECPTA. This will ensure that the executive leadership in the DEDEA provides the much needed strategic guidance and support to the newly created entity.

The MEC will retain the right to appoint members to the board.

8.3 Functions and committees of the Board

In terms of its functions, the board should provide the necessary oversight for the implementation of the mandate, stated strategic goals, objectives and functions of the ECPTA, as outlined in section 8.3 above.

The board will need to identify the necessary committee system required in assisting it in the effective exercise of its powers and functions. In the establishment of the new board, the composition of the existing structures within the two existing boards in the status quo will not necessarily serve the purpose of the new board of the ECPTA, as this board will be responsible for a considerably larger mandate than what currently exists.

This is also important when considering the nuanced and specific requirements of an integrated model, which will require a broader vision and leadership perspective than was required in the two existing boards.

In driving this broader leadership perspective through its structure and the composition of its committees the board must have the powers to establish the necessary committee structures, as well as to co-opt the necessary members to advise on specific issues as required.

9. The proposed funding model for the ECPTA

The funding model for the ECPTA will be guided by the following revenue streams:

1. Government grant funding through the transfer of payments from DEDEA, as the mandating department.
2. Own generated revenue by the Agency, *through the development of appropriate tourism products in provincial parks as a result of its commercialisation and investment strategies, as well as through hunting and game sale, as well as the intake of revenue to be generated through the implementation of a provincial tourism levy as a source of revenue for the envisaged tourism development fund in the province.*
3. Additional funding generated through collaborative effort in partnership with other government and non-government entities (such as donors and the private sector). It is envisaged that the ECPTA will ensure that it develops its own revenue strategy, which will facilitate the move towards less reliance on the existing government grant. This will further assist the agency in delivery of its mandate.

The establishment of a Tourism Fund for the purpose of collecting a tourism and/or conservation levy has, in principle, been accepted and implemented on a national level. However, on a provincial level, this principle has not been implemented. There are different options to implement this levy.

As the core function of a tourism and parks authority is not financial management and it cannot be expected of the ECPTA to administer a fund, it is proposed that an account be established within the provincial treasury into which the tourism and conservation levies could be paid. The budget of the authority could then be supplemented from that account. Conservation, being a social responsibility of government, is not per se commercially viable. However, tourism has the potential to drive the necessary economic imperatives through commercialisation of tourism opportunities. This implies therefore that the ECPTA will increase its own revenue through focussing on the commercialisation opportunities, and the development of concessions within the parks estate. However, there is a social responsibility aspect to tourism as well, and it is not foreseen that the envisaged levies can provide the entire budget of the authority.

10. Transitional arrangements

From the date that the legislation is to be passed, the MEC will appoint an Interim Board that will deal with transitional matters until the inception date of the new entity.

The Interim CEO will take over from the General Manager in DEDEA, currently managing the merger process, and could be a person from DEDEA.

Renewal of staff contracts should be aligned with the merger period. This should coincide with the outcomes of the labour relations alignment process currently being scoped by the department (as part of the merger project plan).

Where capital and operational expenditure is required in order not to compromise the operation of these two organizations, such a decision has to be made by the DEDEA in consultation with Treasury and the management of the current entities. This would require special attention to be given to the speedy relocation of all staff to one new centrally located premises in East London, as this is critical to providing the necessary stability and harmonization in the new organization.

The legal name of the new entity shall be ***The Eastern Cape Parks and Tourism Agency (ECPTA)***, and its trading name shall be Eastern Cape Parks and Tourism.