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PROVINCIAL PROFILES 2025 NCOP PROVINCIAL WEEK

EASTERN CAPE PROVINCE

**Building Viable Municipalities for
Enhanced Delivery of Basic
Services to Communities.**

November 2025



**PROVINCIAL PROFILES: EASTERN CAPE PROVINCE
2025 NCOP PROVINCIAL WEEK**

CONTENTS

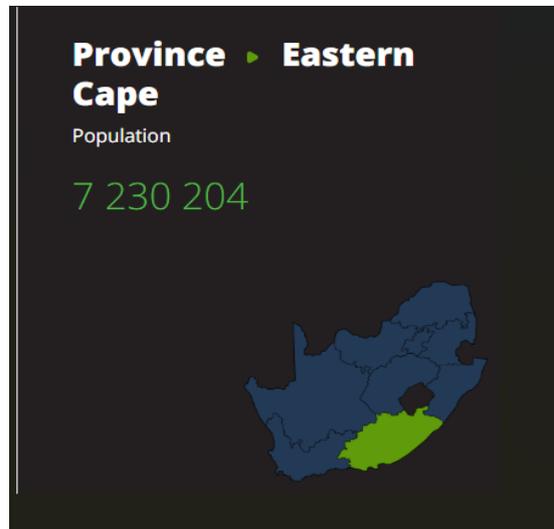
| | |
|---|----|
| 1. BACKGROUND | 3 |
| 2. GEOGRAPHY | 3 |
| 3. DEMOGRAPHY | 4 |
| 4. GOVERNANCE | 5 |
| 5. ECONOMIC PROFILE | 7 |
| 6. THE STATE OF MUNICIPALITIES IN THE PROVINCES AND DISTRICT | 8 |
| 7. HUMAN SETTLEMENT PROJECTS IN THE PROVINCE | 11 |
| 8. ROADS AND TRANSPORT INFRASTRUCTURE IN THE PROVINCE..... | 12 |
| 9. CURRENT PROJECTS IN THE PROVINCE TO IMPROVE BASIC SERVICE DELIVERY | 14 |
| 10. FINANCING OF INFRASTRUCTURE IN THE PROVINCE..... | 15 |
| 11. CONCLUSION | 16 |
| 12. REFERENCES | 17 |

PROVINCIAL PROFILES: EASTERN CAPE PROVINCE

2025 NCOP PROVINCIAL WEEK

1. BACKGROUND

The Eastern Cape is South Africa's second-largest province by area, known for its diverse landscapes, rich cultural heritage as the birthplace of many anti-apartheid icons, and an economy driven primarily by automotive manufacturing, agriculture, and tourism. Its capital is Bhisho, and its largest city is Gqeberha. The Eastern Cape Province, renowned as the birthplace of iconic figures like Nelson Mandela and Desmond Tutu, is a region of cultural and historical importance in South Africa. According to the latest Census conducted in 2022, the province is home to 7.23 million people, making it the fourth most populous province in the country.¹ The provincial economy is the third fastest growing in South Africa, with a GDP growth rate of 2.1 percent, driven predominantly by personal services (27%), finance (18%), and trade (17%) industries.²



Source: Statistics South Africa, Census 2022

This report provides a detailed analysis of the province's demographic structure, socio-economic conditions, and access to basic services, drawing on data from Census 2022 to highlight key trends, challenges, and development priorities.

The Eastern Cape continues to navigate a complex matrix of challenges, including the legacy of COVID-19, climate change, global economic volatility, persistent load-shedding, and high levels of crime and corruption.³ Despite these hurdles, the province has demonstrated resilience, achieving notable milestones over the past 30 years, such as significant job creation, improved access to basic services, and record investment targets.⁴

2. GEOGRAPHY

The province boasts a spectacular 800km coastline stretching from the rugged Wild Coast in the east to the more temperate Sunshine Coast in the west. Its inland geography is highly varied, encompassing the semi-arid Karoo in the west, the lush Tsitsikamma forest, and the

¹ Statssa (2024)

² Statssa (2022)

³ Eastern Cape Socio-Economic Consultative Council - ECSECC (2024)

⁴ Ibid

southern slopes of the Drakensberg mountains, making it the only South African province to contain all seven of the country's ecological zones. The climate is equally diverse, ranging from mild and windy in the west to subtropical in the east, with over 300 sunny days per year.

The Eastern Cape spans a land area of 168,966 km², making it the second-largest province in South Africa by area. It is characterized by a rugged coastline, scenic mountains, and wildlife reserves, such as the Addo Elephant Park. The province is administratively divided into two metropolitan municipalities and six district municipalities, which are further subdivided into 31 local municipalities.⁵

Metropolitan Municipalities comprise Nelson Mandela Bay and Buffalo City, and the District Municipalities include Alfred Nzo, O.R. Tambo, Chris Hani, Joe Gqabi, Amathole, and Sarah Baartman. The population density is relatively low at 43 persons per km², indicating a largely rural and dispersed population. However, this masks significant urban concentration, with Nelson Mandela Bay Metro having a density of 608 persons/km². The table below illustrates how the population in the province is dispersed across the key municipalities.

Table 1: Key Municipalities by Population Size

| Municipality | Population | % of provincial total |
|--------------------------|------------|-----------------------|
| O.R. Tambo District | 1,501, 702 | 20.8% |
| Nelson Mandela Bay Metro | 1,190, 496 | 16.5% |
| Buffalo City Metro | 975,255 | 13.5% |
| Alfred Nzo District | 936,462 | 13.0% |
| Amathole District | 871,601 | 12.1% |

Source: Adapted from Statssa (2024) - Census 2022

Accordingly, the O.R. Tambo District municipality, with its local municipalities (LMs) that include King Sabata Dalindyebo (KSD) LM, Mhlontlo LM, Nyandeni LM, Ingquza Hill LM, and Port St Johns LM, has a population of 1,501, 72 or 20.8% of inhabitants in the province. In the second position is the Nelson Mandela Bay Metropolitan Municipality with 1,190,496 or 16.5% of the population, while Buffalo City Metro consists of 975,255 or 13.5% in the third position. In the last two positions is Alfred Nzo District Municipality with a share of 936 462 or 13.0% of inhabitants and followed finally by Amathole District Municipality with 871,601 or 12.1%. The province features several key economic corridors, such as the N2 Wild Coast development corridor, which is pivotal for future spatial economic transformation.⁶

3. DEMOGRAPHY

3.1 Population Structure and Dynamics

With a population of over 7.2 million people, the Eastern Cape is the fourth most populous province in South Africa. The population is predominantly Black African (85.7%), with Coloured

⁵ Statssa (2024)

⁶ ECSECC (2024)

(7.6%) and White (5.6%) South Africans. The most widely spoken language is isiXhosa (81.8%), followed by Afrikaans and English. The province is largely rural in character, with a high proportion of its population living in non-urban areas. The province's population has shown steady growth, increasing from 6.1 million in 1996 to 7.2 million in 2022. The Eastern Cape's population grew by only 1.1 million between 1996 and 2022, reaching 7.23 million. Its contribution to the national population declined from 15.1 percent to 11.7 percent over this period.⁷ The median age is 27 years old, an increase of 5 years from 2011, indicating a gradually aging population while in terms of gender there are consistently more females than males in the province's population.

The population has a youthful structure, with 29.3 percent aged 0-14 and 62.5 percent of working age (15-64).⁸ The elderly population (65+) constitutes 8.2 percent. The dependency ratio stands at 60.0 percent, meaning every 100 working-age persons support 60 dependents (children and elderly). This ratio varies significantly across districts, with Alfred Nzo (73.7%) and O.R. Tambo (70.0%) having the highest burdens.⁹ There are more females (52.6%) than males (47.4%) in the province, a pattern consistent with national trends.

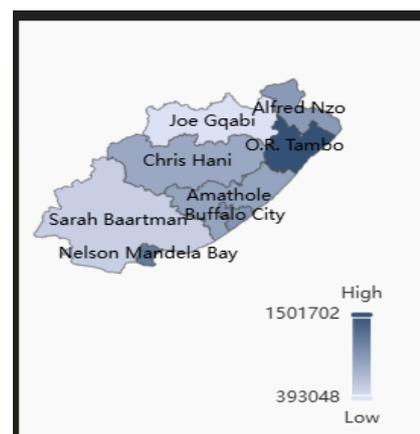
3.2 Migration Patterns

The Eastern Cape is a net exporter of people to other provinces. Over 1.8 million people born in the Eastern Cape reside in other provinces, with the largest numbers in the Western Cape (1.13 million) and Gauteng (495,494).¹⁰ The province experienced a net out-migration of 1.58 million people between 2011 and 2022, the highest in the country.¹¹ This 'brain drain' sees primarily working-age youth leaving the province, driven by a lack of economic opportunities.¹² Conversely, 110,811 residents were born outside South Africa, with the majority (63.5%) originating from other SADC countries.¹³

4. GOVERNANCE

Governance in the Eastern Cape has faced challenges including high unemployment, poverty, and historical issues with service delivery, particularly in the rural areas which make up a large part of the province. The provincial government's priorities, as outlined in its development plans, include:

- Promoting inclusive economic growth and job creation.



⁷ Statssa (2022)

⁸ Statssa (2024)

⁹ Ibid

¹⁰ Ibid

¹¹ ECSECC (2024)

¹² Ibid

¹³ Statssa (2024)

- Improving the quality and accessibility of basic services like water, sanitation, education, and health.
- Strengthening accountability, transparency, and collaboration between provincial and local government structures.
- Investing in infrastructure development, including ports, roads, and energy projects, to unlock economic potential.

The governance structure is decentralised across the two metros and six districts. The performance and capacity of these municipalities vary considerably. A key governance indicator is household headship, which shows that 51.9 percent of households in the province are female-headed.¹⁴ This is particularly pronounced in O.R. Tambo (57.9%) and Alfred Nzo (57.5%) districts, which may reflect male out-migration for work.¹⁵ The state of municipalities can be inferred from service delivery data. While metros like Nelson Mandela Bay and Buffalo City generally show better access to services, rural districts like O.R. Tambo, Alfred Nzo, and Amathole face significant challenges, as detailed in the sections below.

4.1 Audit outcomes of the Eastern Cape Departments

Source: Statistics South Africa

| | 2023/24 | 2022/23 | 2021/22 | 2020/21 | 2019/20 |
|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Education | Qualified | Qualified | Qualified | Qualified | Qualified |
| Health | Qualified | Qualified | Qualified | Qualified | Qualified |
| Social Dev | Unqualified with findings |
| Human Sett | Unqualified with findings |
| Transport | Unqualified with findings | Qualified | Qualified | Qualified | Qualified |
| Public Works | Unqualified with findings |
| | | | | | |

The EC Departments of Education and Health have received a qualified opinion for the past five years, with no improvement. The three Departments of Social Development, Public Works, and Human Settlements have received an unqualified opinion with findings for the past five years. According to the AG’s 2023/24 Consolidated General Report on National and Provincial Audit Outcomes, the Eastern Cape continues to face weaknesses when it

¹⁴ Statssa (2024)

¹⁵ Ibid

comes to infrastructure project delivery in the Human Settlements, Transport, Education, and Health Departments. In particular, the AG found that there are delays in project completion, quality defects, invalid variation orders, and “value for money not received” for the amount that is paid.

The root causes for the weaknesses in infrastructure project delivery are the following: In the Human Settlements department, management failed to oversee proper contract management concerning a non-performing contractor. Furthermore, they failed to spend R99 million of the R231 million that was advanced to them in 2023/24. The impact of these weaknesses is that harsh living conditions in informal settlements persist due to poor performance by implementing agents. In the transport department, the weaknesses are mainly due to poor monitoring, evaluation, oversight, and quality control. The impact of these weaknesses is that, for example, the sub-standard quality control of the gravel and poor stormwater provision could result in the road requiring earlier than anticipated maintenance, or more expensive maintenance activities may be needed to keep the road in an acceptable standard.

In the Education department, the main issue is that the principal agents failed to discharge their duties, and the department also failed to refund the implementing agent to enable them to discharge their contractual obligations. The impact is that the project has been delayed for over five years, resulting in non-compliance with the South African Schools Act of providing minimum education areas. In the Health department, the key weaknesses relate to delayed payments made to the contractor and delayed action against the poor-performing contractors, as well as the ongoing restrictions on the recruitment of staff. The delayed service delivery in this department results in patients being transferred to other hospitals.

5. ECONOMIC PROFILE

While the Eastern Cape is one of South Africa's poorer provinces with a high unemployment rate, it has key economic strengths including:

- **Manufacturing:** The automotive industry is the backbone of the manufacturing sector, with major plants for companies like Volkswagen and Mercedes-Benz located in Gqeberha and East London, respectively. The province produces half of South Africa's passenger vehicles for export.
- **Agriculture and Forestry:** The fertile land supports a diverse range of crops, including pineapples, chicory, tea, and deciduous fruits. Sheep and dairy farming are also significant, with the province being a major producer of mohair.
- **Logistics:** The province benefits from three major harbours (Port of East London, Port Elizabeth, and Ngqura) and two Industrial Development Zones (IDZs) at East London and Coega, facilitating international trade.
- **Tourism:** Natural beauty, abundant wildlife (including the "Big 7" in malaria-free game reserves), and a rich cultural history make tourism a vital and growing sector.

The Eastern Cape grapples with persistent socio-economic challenges, including one of the highest unemployment rates in the country (around 42.4% as of Q3 2022) and widespread poverty. Economic activity tends to be concentrated in urban nodes, leaving rural areas largely

underdeveloped. In response, the provincial government and development agencies are focusing on:

- Attracting investment in key growth sectors like renewable energy and the oceans economy.
- Improving infrastructure, including roads, ports, and energy projects.
- Strengthening local economic development initiatives to create jobs and reduce poverty.
- Investing in education and healthcare to improve human capital.

5.1 Education

Educational attainment remains a challenge. While 77.3 percent of those aged 5-24 attend an educational institution, the quality and level of education are concerns.

Early Childhood Development (ECD): Only 56.1 percent of children aged 0-5 attend an ECD institution, with access lowest in O.R. Tambo District (46.9%).¹⁶

Adult Education: Among those aged 20 and older, 7.2 percent have no formal schooling. This figure is highest in O.R. Tambo (12.0%) and lowest in Nelson Mandela Bay (2.5%).

Higher Education: Only 10.0 percent of the adult population has a qualification higher than Grade 12.¹⁷ In terms of fields of study, 30.8 percent qualified in Humanities and Social Sciences, while only 11.6 percent studied Engineering and Applied Sciences, indicating a potential skills gap in technical fields.¹⁸

5.2 Health and Disability

The disability prevalence in the province is 8.5 percent.¹⁹ As expected, disability is strongly correlated with age, affecting over half (52.4%) of the population aged 80-84. District variations exist, with Joe Gqabi (11.5%) and Amathole (11.1%) having the highest rates, while the metros have the lowest.²⁰

6. THE STATE OF MUNICIPALITIES IN THE PROVINCES AND DISTRICT

The state of municipalities in the Eastern Cape is a significant concern, with many facing severe challenges related to financial distress, poor governance, corruption, and an inability to consistently deliver basic services. While a few municipalities perform well, the overall picture is one of systemic challenges that hinder effective local government. Key challenges include:

- **Financial Distress:** A substantial number of municipalities in the province are flagged as being in financial distress, with some potentially unable to meet their financial obligations. This is a result of weak financial management, unfunded budgets, and significant amounts of unauthorised, irregular, and fruitless expenditure.

¹⁶ Statssa (2024)

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

- **Poor Audit Outcomes:** The Auditor-General (AG) has consistently raised concerns about audit outcomes in the Eastern Cape. Only a few of the province's 39 municipalities achieve clean audits, with many receiving qualified or disclaimed opinions (the worst possible outcome) for consecutive years.
- **Service Delivery Shortcomings:** Widespread dissatisfaction with service delivery is a major issue. Common problems include:
 - **Infrastructure failures:** Aging infrastructure leads to water leakages, damaged roads, and insufficient sanitation.
 - **Stalled Projects:** Many public infrastructure projects are delayed or abandoned due to contractor non-performance, lack of funding, and poor contract management, leading to financial losses and communities being deprived of essential services like water and electricity.
 - **Rural Challenges:** The largely rural nature of the province, combined with limited economic activity, means many municipalities struggle with a limited revenue base, making it difficult to self-generate the necessary funds for services.

The provincial Department of Cooperative Governance and Traditional Affairs (COGTA) and the Treasury are providing support through budget reforms, financial recovery plans, and strategies to manage irregular expenditure. There have been some positive developments, with a few municipalities managing their finances well and receiving good audit findings. However, overall progress is slow, and the Auditor-General continues to call for more urgent action and accountability from provincial and national leaders to address the dire state of local government in the province

Municipal governance remains a critical challenge, impacting service delivery directly. The audit outcomes for Municipal Finance Management Act (MFMA) auditees reveal persistent issues with financial management and governance in municipalities in the province.²¹

6.1 Human Settlements and Access to Basic Services

Access to adequate housing and basic services is a critical indicator of development and a key government priority. Many households (83.6%) reside in formal dwellings.²² However, 11.7 percent live in traditional dwellings and 4.4 percent in informal dwellings.²³ The proportion of informal dwellings has decreased significantly from 7.7 percent in 2011. In terms of tenure rights, a plurality of households (42.4%) own and have fully paid off their dwelling, while 31.9 percent occupy rent-free dwellings.²⁴ In respect of Reconstruction and Development Programme (RDP) Government Housing, 31.6 percent of households live in RDP or government-subsidized dwellings, with the highest uptake in Sarah Baartman (56.5%) and Nelson Mandela Bay (53.9%)²⁵

²¹ ECSECC (2024)

²² Statssa (2024)

²³ Ibid

²⁴ Ibid

²⁵ Statssa (2024)

Table 2: Access to basic services by selected municipalities (Census 2022)

| Service /municipality | Piped Water in Dwelling Yard | Flush Toilet | Weekly Refuse Removal | Internet Access |
|------------------------------|-------------------------------------|---------------------|------------------------------|------------------------|
| EC average | 67.1% | 73.7% | 45.5% | 64.3% |
| Nelson Mandela | 93.8% | 96.6% | 89.7% | 76.8% |
| Buffalo City | 83.7% | 89.4% | 84.4% | 72.6% |
| O.R. Tambo | 43.0% | 32.5% | 7.5% | 55.8% |
| Alfred Nzo | 40.9% | 32.9% | 7.3% | 57.8% |

Source: Adapted from Statssa (2024)

The rural municipalities are lagging in terms of basic services compared to the metropolitan municipalities. The O.R. Tambo District Municipality and the Alfred Nzo District Municipality are below the Eastern Cape average in all basic services, and this indicates low service delivery in rural municipalities.

6.2 Water and Sanitation

Access to piped water inside the dwelling or yard has improved markedly, from 49.4 percent in 2011 to 67.1 percent in 2022.²⁶ Despite this progress, stark disparities remain. While over 90 percent of households in Sarah Baartman and Nelson Mandela Bay have access, the figure falls to 43.0 percent in O.R. Tambo and 40.9 percent in Alfred Nzo.²⁷ Furthermore, 59.2 percent of households with access to piped water experienced interruptions in the 12 months preceding the census.²⁸ For sanitation, 73.7 percent of households have access to a flush toilet, but again, this masks severe inequity, with the figure dropping to around 32 percent in O.R. Tambo and Alfred Nzo districts.

6.3 Energy and Refuse Removal

Electricity is the main source of energy for lighting (85.8%) and cooking (77.1%). Refuse removal services are inadequate in many areas, with only 45.5 percent of households receiving weekly refuse removal services from the municipality. This service is almost universal in the metros but drops to below 8 percent in O.R. Tambo and Alfred Nzo districts.²⁹

6.4 Digital Access

In the Eastern Cape, 64.3 percent of households have access to the internet, a significant increase from previous years, though a substantial digital divide persists between urban and rural areas.³⁰

²⁶ Ibid

²⁷ Ibid

²⁸ Ibid

²⁹ Statssa (2024)

³⁰ Ibid

7. HUMAN SETTLEMENT PROJECTS IN THE PROVINCE

The Eastern Cape Department of Human Settlements is engaged in various projects and programmes to provide integrated, sustainable human settlements across the province, with a strong focus on addressing the housing backlog, eradicating informal settlements, and completing stalled projects. The provincial government utilizes several national programmes adapted to local needs:

- **Integrated Residential Development Programme (IRDP):** This program is key for planning and developing integrated housing projects that include a mix of land uses and housing types for various income groups, complete with commercial and social facilities.
- **Upgrading of Informal Settlements Programme (UISP):** A major focus involves upgrading existing informal settlements through a phased, area-based development approach. This includes providing basic municipal engineering services (water, sanitation, electricity) and secure tenure. The Thembelihle-Manyano project is an example of an award-winning initiative in this category.
- **Social Housing:** This programme provides subsidised rental accommodation for low-to-middle income households (earning between R3 501 and R22 000 monthly) within designated urban restructuring zones. The Fairview link in the Nelson Mandela Metro won an award for the best social housing project.
- **Emergency Housing:** This program provides temporary relief and basic services to people whose homes have been destroyed by disaster or who face immediate eviction threats.
- **Title Deeds Campaign:** A continuous effort involves the handover of title deeds to beneficiaries, providing them with security of tenure and asset creation.
- **Military Veterans Housing Project:** A specific focus includes delivering appropriate housing for military veterans, with projects underway in districts like O.R. Tambo.
- **Bucket Eradication Programme:** Significant efforts have been made to eradicate bucket toilets and replace them with formal sanitation, with over 2,261 structures completed in the past.

Noteworthy individual projects and focus areas include:

- **Komga Zone 10 Phase 1:** This project has involved the construction and handover of new homes to destitute families, including a former farm worker.
- **Mthatha Rectification Project:** A major focus has been the rectification of poorly constructed RDP houses in Mthatha, with a new contractor appointed in mid-2024 to complete and fix hundreds of incomplete or substandard homes that have been unfinished for over 20 years.
- **Kouga Local Municipality:** The municipality is implementing several projects, including 200 RDP houses at Ocean View for the elderly and disabled, and others in Arcadia, Patensie, and Hankey.

- **Stalled Projects:** The provincial government is actively working to "unblock" or revive stalled projects across various municipalities due to issues like non-performing contractors, land invasions, and funding constraints.

Despite ongoing projects, the Eastern Cape human settlements sector faces significant challenges, including a large backlog, instances of poor quality construction, contractor non-performance, and land invasions, which often lead to project delays. The department is trying to address these issues through stricter contract management and capacity building programs for municipal officials.

The provincial and local governments' priorities, often articulated in departmental budgets and Integrated Development Plans (IDPs) of municipalities, also focus on water and sanitation. Efforts are underway to deal with existing infrastructure gaps and implement projects aimed at expanding bulk water infrastructure, repairing leaking pipes, and building new water treatment works, particularly in rural districts like O.R. Tambo and Alfred Nzo. On human settlements, the acceleration of title deeds delivery for RDP houses and upgrading informal settlements with basic services takes major priority in the Eastern Cape government.

On roads and transport, the maintenance and upgrading of the provincial road network is prioritized to improve connectivity for rural communities and facilitate economic activity. In the digital infrastructure space, the provincial government is focusing on expanding broadband connectivity to the underserved rural municipalities to bridge the digital divide. All these efforts are targeted at creating integrated human settlements and eradicating informal settlements.

Concerning the oversight mandate of Parliament, it is important to monitor progress made in the provision of RDP government-subsidized dwellings, as only 31.6 percent of households in the province reside in such housing, slightly above the national average (29.9%).³¹ This clearly indicates the existence of a backlog in the delivery of government-subsidized houses, especially so in the aftermath of the flooding disaster experienced in the Mthatha area during 2025

8. ROADS AND TRANSPORT INFRASTRUCTURE IN THE PROVINCE

Road and transport infrastructure in the Eastern Cape is characterized by significant disparities: key national routes, ports, and a few major provincial roads are undergoing development and maintenance, while the vast majority of rural and municipal roads remain in a poor state, posing a major challenge to the province's development.

Road Network

- **Scale and Condition:** The province has one of the longest road networks in South Africa, stretching over 40,000km. However, a mere 9% of this network is paved, significantly lower than the national average of 25%. The remaining 90% are

³¹ ECSECC (2024)

unpaved gravel roads, many of which are in a dilapidated state, contributing to a substantial maintenance backlog estimated at R30.5 billion.

- **Impact of Poor Roads:** The poor condition of roads is a human rights issue, severely hampering access to essential services such as healthcare (causing delays for ambulances), education (making it difficult for learners and teachers to reach schools), and economic opportunities (hindering farmers and businesses from transporting goods to markets and stifling tourism).
- **Key Projects and Initiatives:** The South African National Roads Agency (SANRAL) manages national routes and is investing heavily in the province. Notable projects include:
 - The multi-billion rand N2 Wild Coast Road Project, which includes the construction of major bridges like the Msikaba bridge, aimed at improving connectivity and fostering economic growth in the region.
 - A R3.5 billion project to upgrade various roads and infrastructure across the province.
 - The recently completed Ndabakazi Interchange, which connects Butterworth to the N2, expected to ease traffic flow.
 - Efforts to fix potholes and implement specific road maintenance grants through the "S'hamba Sonke" programme and the Provincial Road Maintenance Grant (PRMG).

Other Transport Infrastructure include:

- **Ports:** The Eastern Cape is uniquely positioned with three commercial seaports managed by Transnet:
 - Port of Ngqura: A deep-water port primarily focused on containers and the export of manganese, serving the nearby Coega Industrial Development Zone (IDZ).
 - Port of Gqeberha (Port Elizabeth): Handles automotive exports and general cargo.
 - Port of East London: South Africa's only river port, serving the automotive industry (Mercedes-Benz plant) and the East London IDZ.
- **Railways:** The province is integrated into the national rail network, forming part of the "Cape Corridor" which links mining areas in the Northern Cape to the ports of Gqeberha and Ngqura for manganese and iron ore exports. However, rail infrastructure also faces challenges and requires ongoing investment.
- **Airports:** The province has domestic airports in Gqeberha and East London, facilitating air travel for business and tourism.
- **Public Transport:** Public transport systems exist, with the Nelson Mandela Bay Municipality having the Libhongolethu Integrated Public Transport System (IPTS) in development, similar to the Bus Rapid Transit (BRT) systems in other major South African cities.

According to ECSECC (2024, pp 62-63), the province of the Eastern Cape is driving several catalytic infrastructure projects to transform its spatial economy. The N2 Wild Coast Highway is a 410km road including the monumental Msikaba and Mtentu bridges, aimed at improving connectivity and stimulating economic development in the impoverished Wild Coast region of the province. On the other hand, the Eastern Cape Transnet Initiatives focuses on expanding port capacities in Gqeberha and East London and enhancing the Port of Ngqura for containers and manganese export. In the O.R. Tambo district, the Mzimvubu Water Project is a strategic multi-dam project to bolster water security for domestic and agricultural use. The Wild Coast Meander Road Programme is also upgrading 325km of provincial roads to boost tourism

9. CURRENT PROJECTS IN THE PROVINCE TO IMPROVE BASIC SERVICE DELIVERY

The Eastern Cape government and its municipalities are currently implementing several projects funded through grants like the Municipal Infrastructure Grant (MIG) and in collaboration with national departments and private entities to improve basic service delivery, focusing primarily on water, sanitation, roads, and electricity access

Water and Sanitation: The Department of Water and Sanitation (DWS) and the provincial government are prioritizing several major infrastructure projects to address water scarcity and improve sanitation:

- Ntabelanga Dam: A new dam project on a tributary of the Mzimvubu River, estimated at R8 billion, aimed at providing additional water for irrigation and domestic use in the eastern region of the province.
- Foxwood Dam: A R2 billion project designed to provide additional water for the town of Adelaide and for irrigation.
- Zalu Dam: A R1 billion project intended to provide additional water for the town of Lusikisiki and surrounding villages.
- Coerney Balancing Dam: A R600 million project to improve water security for the Nelson Mandela Bay Metropolitan area.
- Nooitgedacht Water Treatment Works: Development of Phase 3 to augment water supply to Nelson Mandela Bay.
- Kouga Municipality Initiatives: This municipality has invested heavily in water purification plants and drilled over 30 boreholes, cutting its reliance on dam water from 70% to 30%, which has made it more resilient to droughts.
- Rural Water Solutions: The DWS is collaborating with non-government organizations like the Unity Water Foundation to unlock sustainable water access in rural areas such as Njijini Village in Mount Frere.

Electricity and Roads

- N2 Wild Coast Road Project: This major infrastructure initiative includes the construction of the Msikaba and Mtentu bridges, which are set to transform travel

and open up the Wild Coast for tourism and economic activity. The project also involves upgrading seven roads from gravel to tar.

- Welisizwe Bridges Programme: In partnership with the SA Army Engineers, the province is constructing modular steel bridges to connect rural communities and improve access to services. As of early 2025, 12 of 19 planned bridges were completed, with 17 more planned for the 2025/26 financial year.
- Industrial Parks Upgrades: Over R495 million has been invested in infrastructure upgrades at industrial parks in Dimbaza, Fort Jackson, Vulindlela, Butterworth, and Komani to support local economic development and job creation.
- Informal Settlement Upgrading: Through the Upgrading of Informal Settlements Programme (UISP), municipalities are working to provide basic services, secure tenure, and formalize settlements across the province.
- Technology for Service Delivery: The Provincial Treasury is implementing Business Intelligence projects to integrate financial and operational data, which is expected to enhance monitoring and evaluation capabilities and lead to more effective decision-making regarding service delivery.

Despite these projects, many initiatives face delays due to funding constraints, poor quality work, and governance challenges. The provincial government acknowledges the need for better coordination and monitoring to ensure that these projects translate into tangible improvements in the lives of residents

ECSECC points out that numerous projects are underway across sectors in the province, and these are detailed in the Provincial Economic Development Strategy (PEDS) implementation plan.³² In the area of water infrastructure plans, the rehabilitation of bulk infrastructure in Ncora, Keiskamma, and other irrigation schemes valued at R195 million worth of investment is due for implementation in partnership with the World Bank, which contributes around R3 billion as indicated in the business plan. On energy infrastructure, a roll-out of mini-grids (e.g., Upper Blinkwater), investment in green hydrogen, and Hive Hydrogen's R105 billion project in Coega, and rooftop solar on government buildings. In respect of social infrastructure, the province is dealing with the upgrading of industrial parks in Dimbaza and Mthatha, as well as the construction of fresh produce packhouses to support agriculture.

10. FINANCING OF INFRASTRUCTURE IN THE PROVINCE

Financing infrastructure is a major challenge in the country, especially under the prevailing global economic environment, and the Eastern Cape Provincial Government is not immune to these challenges. ECSECC (2024) report identifies a growing funding gap to meet infrastructure development objectives and suggests strategies that can be considered to address those.

The successful 2022 and 2023 investment conferences managed to secure declared investments of R46 billion and R128 billion, respectively, across key sectors.³³ The National

³² Ibid

³³ Ibid

Treasury Mechanisms can also play a significant role in utilising the Budget Facility for Infrastructure (BFI) for large, complex projects like the Mzimvubu Water Project.³⁴ The Public-Private Partnerships (PPPs) are also essential for catalytic projects like the N2 Wild Coast Highway and sustainable energy plants. On the side of the government's intergovernmental grants, the reliance on conditional grants from the national government for municipal infrastructure projects should be carefully considered, as the record of performance in spending these funds is often constrained by capacity challenges in municipalities.

Concerning the financing of infrastructure in the Eastern Cape, this responsibility is a multifaceted process involving national government transfers, which serve as a major source through grants like the Municipal Infrastructure Grant (MIG), the Urban Settlements Development Grant (USDG) for metros, and conditional grants for specific sectors like water and education.

Provincial Equitable Share is another source of funding for infrastructure and is a formula-based funding from the national treasury to provinces to fund their responsibilities. The Municipal Own Revenue is generated by municipalities through rates and taxes, primarily in the metropolitan and more economically active local municipalities. However, it is also important to indicate that the rural municipalities are always facing challenges in this regard. On the contrary, the larger metros also have a leeway in accessing loans from development finance institutions for large-scale infrastructure projects using their stable balance sheets.

The significant backlogs in rural municipalities highlight the limitations of their own revenue bases, making them heavily reliant on national transfers, which are often insufficient to meet the scale of need.

11. CONCLUSION

Promoting growth and development in the Eastern Cape is focused on leveraging its natural resources and strategic infrastructure through targeted investment in key sectors and a commitment to improving governance and human capital. The strategies involve public-private partnerships, infrastructure development, and empowering local communities

³⁴ Ibid

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