

EC development boss hits back after dismissal over R100m empowerment fund allocations

Ayanda Wakaba, fired CEO of the Eastern Cape Development Corporation, denies mismanaging a R100-million economic development fund, saying the provincial government left him and his team without a formal framework for two years.

The CEO of the Eastern Cape Development Corporation, Ayanda Wakaba, was fired on 28 September 2025 after an unresolved dispute over the spending of a multimillion-rand empowerment fund granted to the province by the national Treasury. The fund was meant to provide a much-needed boost to the provincial economy.

Wakaba said last week that he was fighting his dismissal. He said he had waited 24 months for the spending framework after the fund was implemented. When the framework finally arrived, it had been suspiciously backdated, he claimed. As their mission was an urgent one, he and his team had, however, developed their own framework to spend the money.

“It was only 24 months into the implementation of the fund that the department served the ECDC with a formal, signed framework, a huge omission that the board and department appear not willing to take responsibility for.

“The funds allocations were effected with no reference nor mention of the formal framework. The department would not be able to submit any proof of it transmitting the signed framework to the ECDC until about June 2024, some two years into the life of the programme,” he said. His letter of dismissal claims that he intentionally misled the ECDC board with regard to the existence of a framework approved by the province’s Department of Economic Development, Environmental Affairs and Tourism (Dedeat), and that the money should have been spent according to the provincial department’s prescriptions.

The framework developed by Wakaba and his team stated that roughly 60% of fund resources would be invested in initiatives that offered defined financial returns on investment while the remaining 40% would be invested in initiatives that offered economic and developmental returns.

Envisaged initiatives relating to the 40% fund allocation include interventions such as industry/value-chain activation; small, medium and micro enterprise development; and youth employment programmes.

In relation to economic returns, funding terms were to be informed by economic research, development intelligence, project potential and targets. Factors such as commercial sustainability, job creation, youth empowerment, economic inclusiveness and private-sector participation would influence funding decisions.

The Empowerment Fund was created in the 2022/2023 financial year and the ECDC was to manage it. The Government Technical Advisory Centre (GTAC), an agent of the national Treasury, was engaged by the Eastern Cape Treasury to develop a framework for the fund.

In February 2022, at a stakeholders meeting, the GTAC presented a working draft framework for how the money should be spent. A service level agreement was signed on 1 April 2022.

Wakaba explained that there was no final framework in place for the implementation, apart from the Provincial Informal Business Support Framework.

He said the ECDC had used the GTAC's draft framework as guidance for drafting the internal framework. The management reported that it had developed the internal framework to the board committee (finco) and the board, with management reports providing progress updates on the operationalisation of the fund. He said progress reports were shared with Dedeat and the economic development cluster.

He added that documents provided to him on the rationale for the fund showed that "there is an urgent need to increase fiscal resources to support economic development – especially the provision of economic infrastructure and enterprise development. Existing allocation and institutional processes were inadequate and weak, limiting the potential impact direct budgetary allocation could have."

At the time, he said, the rationale was that the province faced major socioeconomic challenges: unemployment stood at 42.4% (with youth unemployment pegged at 53.6%) and poverty levels at 67.3%, while provincial economic growth averaged -2.26% over five years. "More economic output and formal job creation were needed to sustain the tax base and economy," Wakaba said. He said as a result certain parts of the GTAC's draft framework were not included in the ECDC's internal framework "as they were not aligned with the fund rationale and the Provincial Economic Development Strategy".

"No formal framework was made available by [Dedeat], until 24 months into the implementation of the fund by the ECDC," he said.

Wakaba said several agreements were included, and the fund was transferred to the ECDC in tranches of R100-million (2023/24), R30-million (2024/25), and R50-million (2025/26). None mentioned a departmental framework, "reinforcing the idea that GTAC's draft framework was only a guiding document".

He added that it was only in April 2024 that Dedeat's chief financial officer, Sibongile Jongile, raised concerns about the nonalignment of the internal framework with the department's framework.

He said when the framework was finally received in 2024, two years after the implementation of the fund, it was dated 7 June 2022, but he had never received a copy.

Wakaba added that the service level agreement regarding the fund was signed on 22 April 2022, "way before the final version of the framework was signed".

He said it was therefore impossible for the department to claim that it was part of the agreement. Wakaba said the programmes highlighted as not being aligned to the framework have been subjected to a specific review by the Auditor-General, with the matter also reportedly referred to both the provincial Treasury and the national Treasury for technical consultation as to whether the expenditure on the initiatives constituted irregular expenditure.

"The outcome of the technical consultations by the Auditor-General confirmed that the spend in the affected programmes did not constitute irregular expenditure."

He said he did not wish to be reinstated but would agree to a mutual termination employment with five months' pay. Otherwise he said he would resign with three months' notice.

The Democratic Alliance's (DA) leader in the Eastern Cape legislature, Vicky Knoetze, said the Wakaba's dismissal "over the mismanagement of a R100-million economic development

fund once again highlights the governance crisis at the heart of this provincial administration”.

“In a province already facing staggering unemployment and poverty, the mishandling of such a vital initiative erodes hope and denies communities the chance to build sustainable livelihoods,” she said.

Knoetze said the DA believed the plan to boost the provincial economy through the spending of the R100-million fund has been “crippled by poor oversight, weak internal controls, and disregard for fiduciary responsibilities, and [we] will be demanding a full accounting of how the funds were managed.

“Initial investigation findings, conducted by GBInc Attorneys, reveal that ECDC leadership deviated from the official framework jointly developed by the national Treasury and the provincial Department of Economic Development, Environmental Affairs and Tourism. This unilateral rewriting of policy, without disclosure to the board, represents a serious breach of trust and accountability.

“This misalignment between frameworks has real consequences for beneficiaries. National Treasury or Dedeat could question or even halt payments, leaving entrepreneurs and small businesses in limbo. Those who have already received support may later be told they did not meet the official criteria, exposing them to the risk of clawbacks, repayment demands or disqualification,” she said.

In a signed statement, ECDC board chair Vuyani Jarana confirmed Wakaba’s suspension for “governance-related issues” but said a new acting CEO was appointed to ensure programmes would continue uninterrupted.

When asked if and why the Dedeat delivered the framework 24 months late, spokesperson Ncedo Lisani referred all queries back to Jarana.

Daily Maverick