

# CONDITIONAL GRANTS: CASP 2006/7 Quarter 2

MEC DP Magadzi  
Limpopo

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PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF AGRICULTURE

## LDA CORE BUSINESS / MANDATE 2006 -2010

1. **Restructuring** of State Agricultural Assets and promotion of **sustainable natural resources management and utilization** (RESIS)

2. Promote Agri-business through **appropriate market access strategies, value-adding and commodity associations** to maximize farmer participation in the broader economic development opportunities

3. Promotion and development of **appropriate training/research based production and value adding technologies** for successful agri-businesses;

4. Promote access to commercial agricultural land and agri-business for Blacks as well as to provide **pre and post settlement support** for land reform projects to ensure sustainable agricultural enterprises

5. Provision of appropriate **advisory support** for animal and crop production, sustainable poverty alleviation and household food security strategies;

6. Promotion and establishment of **reliable information and communication strategy** through information technology for knowledge and information sharing;

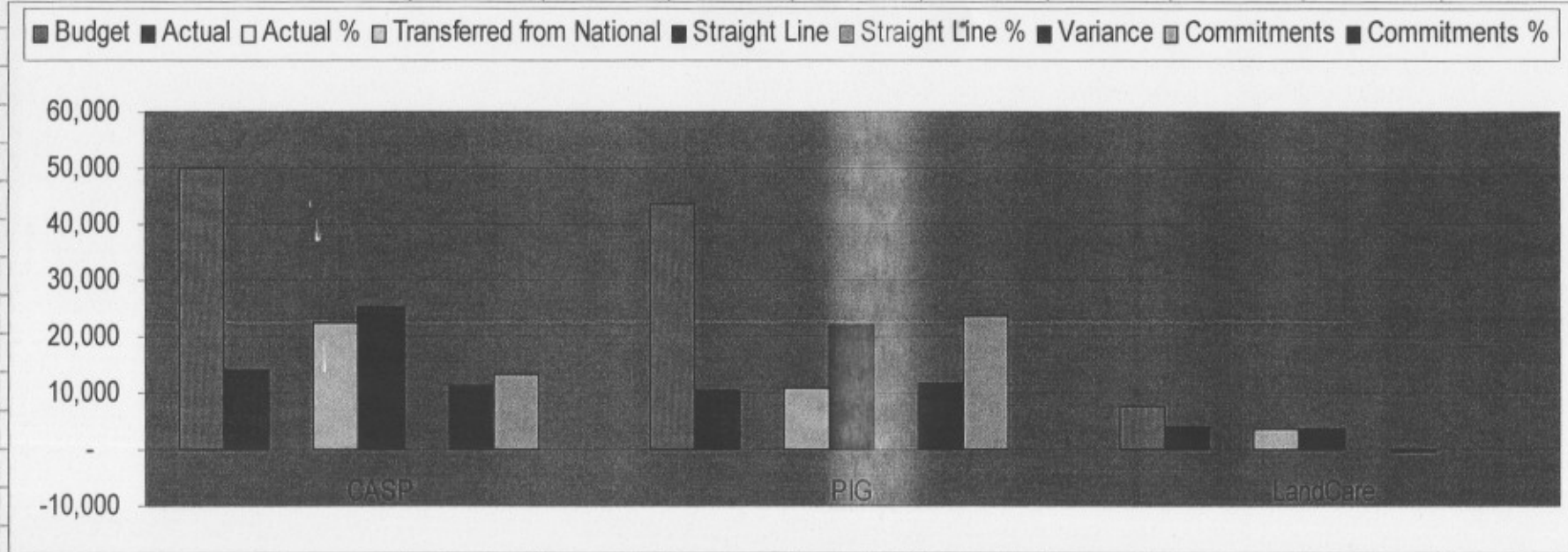
7. Promotion of **Animal production** and healthy herds to improve livestock and also **control animal diseases**;



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Expenditure Report: Conditional Grants									
R thousand	2006/07								
	Budget	Actual	Actual %	Transferred from National	Straight Line	Straight Line %	Variance	Commitments	Commitments %
CASP	50,143	13,841	27.6%	22,285	25,072	50.0%	11,231	13,088	26.1%
PIG	43,767	10,204	23.3%	10,942	21,884	50.0%	11,680	23,744	54.3%
LandCare	7,565	4,053	53.6%	3,405	3,783	50.0%	(271)	-	0.0%
<b>Total expenditure</b>	<b>101,475</b>	<b>28,098</b>	<b>27.7%</b>	<b>36,632</b>	<b>50,738</b>	<b>50.0%</b>	<b>22,640</b>	<b>36,832</b>	<b>36.3%</b>



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## **EXPENDITURE VARIANCES: CASP**

- 1. Bad planning: Lack of Project Activity Plans by 1<sup>st</sup> April every year. So cannot monitor monthly performance of all projects.**
- 2. Lack of commitment from staff to ensure ‘something’ gets done per week: *Demotivated staff – See incompetent staff appointed in front of them so they withdraw their expertise!***
- 3. Too many small projects that consume same turn-around-time as big projects.**
- 4. Staff shy away from “complicated projects – integrated ones” and go for default ones (Poverty alleviation – delivery of items to households)**
- 5. Delay in the implementation of the environmentally controlled poultry house due to the contractor's withdrawal From first bid process. Service Level Agreements have now been signed and new contractor on site, committing R21million.**

### **Corrective Measure/s**

- 1. Massification of projects – integrating and consolidating like projects into a mega-project.**
- 2. Strict use of Project Cards, Activity Planning, Cash Flow projections and Project Team approach to Projects since June 2006.**



## **EXPENDITURE VARIANCES: Land Care**

- 1. Delays by Service Providers in completing Master Plans to allow them to do final designs for requisitions of orders and implementation.**
- 2. Delays in the issuing of Orders against requisitions by Service Providers**
- 3. Lack of Demand Management commitment to the project. Lack of Supervision by GM concerned – Weekly/monthly reporting not followed.**
- 4. Lack of community engagement to manage some of the activities to take the “heat” off staff.**
- 5. Not convincing planning on Land care projects. So cannot monitor well.**

### **Corrective Measure/s**

- 1. Activity Planning: Project Cards, Cash Flows by 25<sup>th</sup> Feb every year.**
- 2. Community involvement in planning to identify areas for community engagement**
- 3. Monthly reporting by Project Teams to Community and Community to sign off reports.**

**Staff to focus on Activity plan not “other distracting activities” that takes valuable time.**



## **EXPENDITURE VARIANCES: Rural Development (PIG)**

- 1. Polokwane (APOL) Purchase offer waiting acceptance from the seller for R7mill this quarter.**
- 2. Equipment will be purchase after the deed of sale is signed this quarter.**
- 3. Tubatse fresh produce packhouse - Delayed infrastructure development due to Land tenure arrangement with DoLA.**
- 4. Reprioritized to implement the Biofuels project (R6,5mill) in Sekhukhune only this current quarter.**
- 5. Reprioritized Land reform project of Tea Estates in Vhembe this quarter (R17m)**
- 6. Micro Enterprise funds of R7,5mill have all been committed and expenditure will be realized in this quarter.**

### **Corrective Measure/s**

- 1. Appropriate Activity Planning: Project Cards, Project Teams & Cash Flows.**
- 2. Programme of Action to be followed every second week in GMs/HOD meeting.**



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# CASP FUNDING FOCUS

**2004/5 Livestock and Animal Health infrastructure in Communal Areas.**

**2005/6 Animal Health, LRAD type farms & Individual farms, Food Production.**

**2006/7 LRAD type farms & Individual farms, Animal Health, Training, Food Production**

**2006/7 Meso to Mega (Cluster) LRAD type projects vertically linked.**

# 2006/7 Allocation per district

2006/7 DISTRICTS	LRAD(43%)	SLAG(16%)	RESTITUTION( 16%)	FOOD SECURITY(10 %)	INFRASTRUCTURE(5%)	TRAINING( 10%)	DISTR. TOTAL
BOHLABELA - BBR	R 1,000,000			R 400,000		R 417,858.33	R <b>1,817,858</b>
BOHLABELA- Maruleng	R 1,321,200	R 921,000	R 5,000,000	R 400,000		R 447,859.33	R <b>8,090,059</b>
CAPRICORN	R 3,352,831	R 2,228,950	-	R 800,000	R 2,749,895	R 835,716.67	R <b>9,967,393</b>
MOPANI	R 3,792,760		-	R 800,000		R 935,716.67	R <b>5,528,477</b>
SEKHUKHUNE	R 1,944,537	R 3,063,500	R 3,000,000	R 1,014,300		R 885,716.67	R <b>9,908,054</b>
VHEMBE	R 4,668,767	R 280,500	-	R 800,000		R 935,716.67	R <b>6,684,984</b>
WATERBERG	R 5,153,960	R 1,636,500	-	R 800,000		R 555,716.00	R <b>8,146,176</b>
<b>GRAND TOTAL</b>	<b>R 21,234,055</b>	<b>R 8,130,450</b>	<b>R 8,000,000</b>	<b>R 5,014,300</b>	<b>R 2,749,895</b>	<b>R 5,014,300</b>	<b>R 50,143,000</b>



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## Conditional Grants Q2 2006

Conditional Grant	2005/06		2006/07	Actual Transfers	Actual Expenditure	Transfers less spent	Projected Expenditure	Total Estimated Expenditure
	000	000	000	000	000	000	000	000
	Budget	Actual Expenditure	Budget	Second Quarter	Second Quarter	Second Quarter	3rd Quarter	3rd Quarter
Comprehensive Agriculture Support Programme (CASP)	52,217	52,217	50,143	22,565	13,841	8,724	36,302	50,143
Land Care	5,308	5,308	7,565	3,405	3,954	(549)	3,611	7,565
Provincial Infrastructure Grant (PIG)	60,255	29,771	43,767	10,942	10,204	738	33,563	43,767
Agricultural Disaster Management Grant (Draught)	21,946	21,946	-	-	-	-	-	-
<b>Total Conditional Grants</b>	<b>139,726</b>	<b>109,242</b>	<b>101,475</b>	<b>36,912</b>	<b>27,999</b>	<b>8,913</b>	<b>73,476</b>	<b>101,475</b>

# CG as at 31/10/2006

Conditional Grant	Previous year actual expenditure	2006/07	Actual				Spent by Province
			Spent by Province	Spent by Province	Spent by Province	Spent by Province	
		DORA	July	August	September	October	Total
<b>Comprehensive Agriculture Support Programme</b>	52,217,000	50,143,000	1,711,323	6,775,878	3,573,292	5,466,165	19,306,993
<b>Land Care</b>	5,308,000	7,565,000	297,000	1,167,465	769,310	1,105,742	5,059,564
<b>TOTAL</b>	<b>79,471,000</b>	<b>57,708,000</b>	<b>2,008,323</b>	<b>7,943,343</b>	<b>4,342,602</b>	<b>6,571,907</b>	<b>24,366,557</b>



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