

Situation Analysis – Land Care

- **Situation analysis**
 - **15 projects implemented during 2005/6 with budget of R2,000 m**
 - **Requested rollover of R1,873 m**
 - **15 projects approved for 2006/7 with a budget of R5,785 m**
- **Expenditure**
 - **R 2,604 000 transferred from National to Province by the 2nd quarter and**
 - **R 2,725 m actual expenditure as at end Sep '06.**
 - **106% of transfer received was spent**
- **Issues requiring on-going attention**
 - **Monitoring of the implementation phase**
 - **Conflict management within communities/project beneficiaries**
 - **Most projects tenders already advertised**
 - **Project schedule still on track**



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2nd quarter expenditure - Conditional Grants

Conditional Grant	2006/2007 allocation		
	Budget	Actual	%
CASP	15,777	9,091	58%
LAND CARE	5,785	2,645	46%
PIG	3,220	1,145	36%
TOTAL	24,782	12,881	52%

Reasons for under expenditure PIG

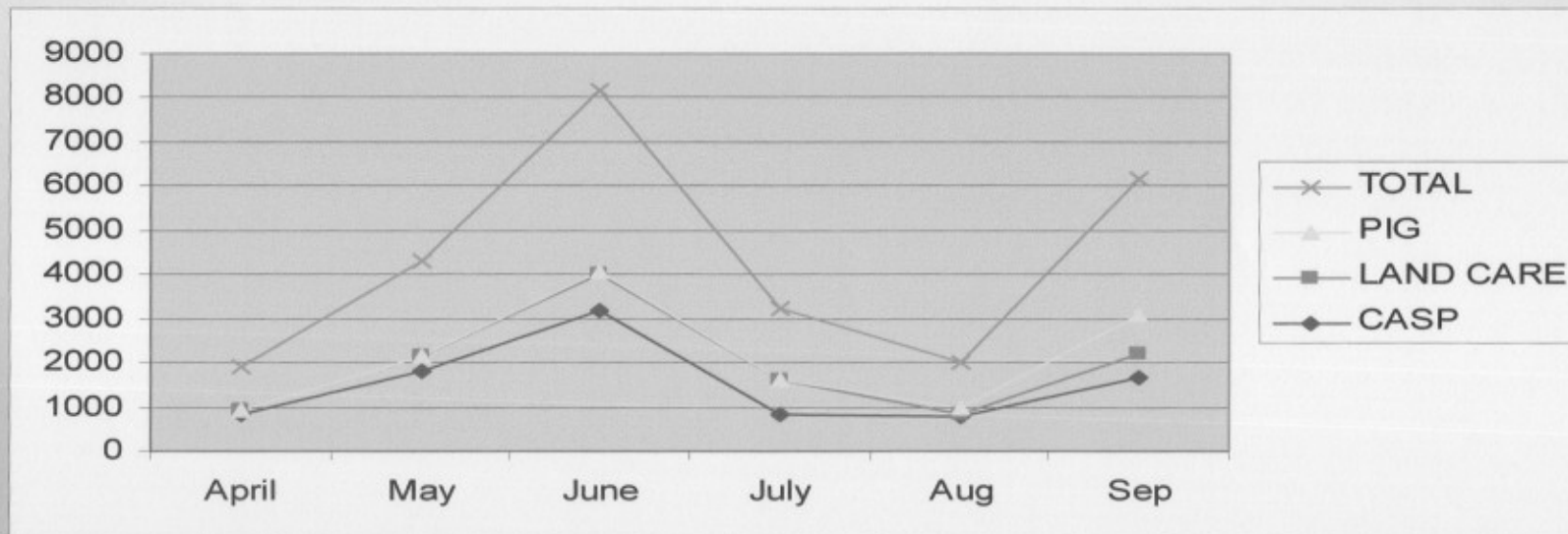
- **The under expenditure for PIG was as a result of some bids that were cancelled, some expired and re-advertised.**
- **The tender process sometimes exceeds the quotation period of suppliers and that leads to delay in implementation of projects because by the time tender process is complete prices on quotes have increased.**
- **Some projects may be completed but then the fees are not all paid out as the engineers may not have completed the retention process**

Conditional Grant spending versus cash allocation

Conditional Grant	2nd quarter allocation		
	Cash received	Actual spent	%
CASP	7,100	9,091	128%
LAND CARE	2,604	2,645	102%
PIG	1,611	1,145	71%
TOTAL	11,315	12,881	114%

Expenditure trends per month

Conditional Grant	April	May	June	July	Aug	Sep	Total
CASP	820	1,826	3,202	809	773	1661	9,091
LAND CARE	127	324	810	804	44	536	2,645
PIG	0	0	63	11	184	887	1,145
TOTAL	947	2150	4075	1624	1001	3084	12,881



Trends in capital expenditure

Financial Year	Final Appropriation R'000	Actual spent R'000	% spent
2004/2005	4,376	1,892	43.24%
2005/2006	21,756	21,648	99.50%
Programmes for 2006/2007	Main Appropriation R'000	2nd quarter spending R'000	% spent
Administration	260	64	25%
Sustainable Resource Management	30	897	57%
<i>Equitable</i>	30	17	300%
<i>Conditional Grants</i>	0	880	
Farmer Support and Development	1,115	2,980	257%
<i>Equitable</i>	1,115	195	17%
<i>Conditional Grants</i>	0	2,785	
Veterinary Services	111	239	215%
Technological Research and Development	190	12	6%
Agricultural Economics	31	0	0.00%
Total	1,737	4,192	241%

Monitoring and Evaluation

- Senior management evaluates expenditure monthly
- Project Coordinating Committee established and meetings held quarterly
 - Assesses project proposals
 - Recommends for approval
 - Assesses and evaluates progress



Challenges for conditional grants

- **Same officials have to implement new projects and provide after-care at the same time**
- **More demands by other land reform beneficiaries especially the more they see implementation and changes in the neighbouring approved projects or communities**
- **Credit facilities for BEE contractors problematic thus a delay in delivery of material and other services**



Plans to improve delivery on conditional grants

- 2006/7 projects
 - Ensure that 2006/7 projects are implemented according to plans
 - Not to allow any roll-overs from 2006/7
 - Monitor and assess implementation through
 - Monthly review of expenditure
 - Holding quarterly reviews with project leaders
 - Senior managers visiting projects regularly to monitor progress
 - Immediate intervention in case of BEE companies who do not deliver in time or delivers non – SABS approved equipment
 - Where possible appoint service providers especially for independent evaluation on progress and impact

2007/8 projects

- Completed business plans for 2007/8 projects by end of September 2006
- Advertise tenders between Jan-March 2007
- Start implementing as of April 2007