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PRESENTATION TO THE SELECT COMMITTEE ON FINANCE
DEPARTMENT OF AGRICULTURE CONSERVATION AND ENVIRONMENT
NORTH WEST PROVINCE
19 FEBRUARY 2007
CAPE TOWN

1. Trends in Development Funds

1.1 Conditional Grants

	2005/06	2006/07	2007/08	2008/09	2009/10
Land Care	R 5 000	R 4 750	R 4 672	R 4 897	R 6 170
CASP	R33 594	R40 313	R53 091	R55 639	R61 201
Drought G.	R16 000	-	-	-	-
Total	R54 594	R45 063	R57 763	R60 536	R67 371

1.2 Equitable Share

	2005/06	2006/07	2007/08	2008/09	2009/10
Post Set	R18 167	R26 650	R40 000	R50 000	R60 000
Heritage	R 5 318	R 6 517	R 7 270	R 7 633	R 8 120
Total	R23 485	R33 167	R47 270	R57 633	R68 120

Grand	R78 079	R78 230	R105 033	R118 169	R135 491
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2. Departmental Budget

The total budget and expenditure trends as at **31 January 2007** are as follows

Programmes	Voted	Adjustment	Spent	
Administration	77,763,000	92,461,670	72,630,894	78.5
Agriculture	309,159,000	366,094,860	270,304,904	73.8
Environment & Conservation	40,918,000	56,956,470	33,617,986	59
TOTAL	427,840,000	515,513,000	376,553,784	73
Standard Items				%
Compensation of employees	264,759,000	269,947,000	215,708,694	79
Transfer Payments(current)	6,653,000	6,653,000	6,762,938	101
Administrative Expenditure	23,630,000	31,653,300	30,386,930	96
Inventory	10,242,000	11,220,700	7,483,677	66.6
Professional & Special services	6,434,000	8,934,000	5,091,120	57
Other Goods and Services	27,863,000	40,290,000	25,457,905	63
Unauthorised expenditure	-	-	-	-
Machinery and Equipment	1,513,000	2,502,000	740,480	29.5
Land & Buildings	210,000	-	-	-
Other Fixed Structures	86,536,000	144,313,000	84,922,040	58.8
Other Capital Expenditure	-	-	-	-
TOTAL	427,840,000	515,513,000	376,553,784	73

3. Spending

Tremendous progress has been registered on service delivery since the implementation of the turn around strategy. The following financial performance on the conditional grants has been recorded **as at 31 December 2006**

	ROLL- OVER (R'000)	BUDGET 2006/07 (R'000)	FUNDS AVAILABLE (R'000)	ACTUAL EXPENDITURE (R'000)	% SPENT
<u>CONDITIONAL GRANTS</u>					
Landcare	3,532	4,750	8,282	2,818	34.0
CASP	29,243	40,313	69,556	41,746	60.0
Drought Relief	16,000	-	16,000	14,909	93.2
<i>SUB- TOTAL</i>	<i>48,775</i>	<i>45,063</i>	<i>93,838</i>	<i>59,473</i>	<i>63.4</i>
<u>EQUITABLE SHARE</u>					
Settlement Support	12,505	26,650	39,155	9,354	23.9
Heritage Sites	4,803	6,517	11,320	2,525	22.3
<i>SUB- TOTAL</i>	<i>17,308</i>	<i>33,167</i>	<i>50,475</i>	<i>11,879</i>	<i>23.5</i>
TOTAL	66,083	78,230	144,313	71,352	49.4

4. Projects Information

	Land care		
Category	Number	Budget	Expenditure
Soil Fertility	1	500	476
Veld Improvement	7	5 482	1 925
Awareness	Provincial	2,300	417
Total		8,282	2,818
	CASP		
Category	Number	Budget	Expenditure
Livestock water	21	4,035	3,11
On Farm infrastructure	52	18,990	13,542
Broiler	19	2,820	1,536
Live Stock H. Facilities	56	4,977	4,711
Food security	24	6,349	3,817
Mechanization	39 (sets)	9,385	8,200
Training (Fencing)	300 (groups)	7,000	3,100
Fencing (Construction)	15	6,000	1,290
Fencing (Material)	Bulk supply	10,000	5,239
Total		69,556	41,746
	Drought		
Drought relief	7 Municipalities	16 000	14 909
Total		16,000	14,909
	Settlement Support		
Category	Number	Budget	Expenditure
Livestock water	1	457	468
On Farm infrastructure	26	6,036	5,365
Crop Production	Provincial	28,000	2,064
Broilers	3	482	197
Livestock H. Facilities	15	4,000	1,100
Food security	2	180	160
Total		39,155	9,354
	Heritage Sites		
Taung and Vredefort	2	11,320	2,525
Total		144,313	71,352

5. Projection To Year End

Project spending is higher in the last two quarters of the financial year mainly due to one or more of the following

- Funds for crop production inputs are committed in October / November and payments made late in the third or early in the fourth quarter
- Projects affected by "unforeseen and unavoidable" circumstances are substituted late in the financial year
- The transfer of funds for 2006/07 took place later (November 2006) than the agreed period (September 2006)

Problems were experienced mainly on the **Land Care** programme which has been implemented on the EPWP approach. Training has been accelerated to ensure that the actual projects are commenced.

Members will note that there was minimal spending on the equitable share under **settlement support**. Funds under this sub programme are reserved mainly for production inputs which have been committed in November and early December 2006 in line with the rainfall patterns for this year.

The **heritage sites** sub programme has performed below expectation due to complex processes of compliance with international norms and standards on world heritage sites.

The following is more probable projections for the year end

- **A portion of Land Care funds (15%) will be rolled over**
- All CASP fund have been committed and will be spent
- All Drought Relief funds will be spent
- All Settlement Support funds will be spent
- **A portion of Heritage Sites funds (30%) will be rolled over**

6. Planning for 2007/08

The following are some of the activities that have taken place in preparation for the next financial year-

- The Departmental Strategic Planning session was held in September 2006
- A presentation was made to the National Evaluation Panel in November 2006, listing proposed projects which have been conditionally approved
- A consultative workshop was held with municipalities and other stakeholders on the strategic plan and projects for 2007/08
- A consultative workshop was held with municipalities on specific projects for integration with the IDP processes
- Tenders were awarded for some projects and the terms of reference have been finalized and should be advertised early in March
- Draft Strategy on Development Funds will be work shopped on the 8 March 2007 (2008/09 projects)