

## PRESENTATION TO THE SELECT COMMITTEE ON FINANCE

## DEPARTMENT OF AGRICULTURE CONSERVATION AND ENVIRONMENT

## NORTH WEST PROVINCE

10 May 2007

CAPE TOWN

**1. Trends in Development Funds****1.1 Conditional Grants**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
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	-	-	-	-
<b>Total</b>	<b>R54 594</b>	<b>R45 063</b>	<b>R57 763</b>	<b>R60 536</b>	<b>R67 371</b>

**1.2 Equitable Share**

	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
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
<b>Total</b>	<b>R23 485</b>	<b>R33 167</b>	<b>R47 270</b>	<b>R57 633</b>	<b>R68 120</b>

<b>Grand</b>	<b>R78 079</b>	<b>R78 230</b>	<b>R105 033</b>	<b>R118 169</b>	<b>R135 491</b>
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## 2. Departmental Budget

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

<b>Programmes</b>	<b>Voted</b>	<b>Adjustment</b>	<b>Spent</b>	<b>%</b>
Administration	77,763,000	92,461,670	89,471,451	96,8
Agriculture	309,159,000	366,094,860	362,046,975	98,9
Environment	40,918,000	56,956,470	49,801,464	87,4
<b>TOTAL</b>	<b>427,840,000</b>	<b>515,513,000</b>	<b>501,319,890</b>	<b>97,2</b>
<b>Standard Items</b>				<b>%</b>
Compensation of employees	264,759,000	264,487,000	263,221,222	99,5
Transfer Payments(current)	6,653,000	8,226,200	6,840,716	83,2
Administrative Expenditure	23,630,000	37,464,572	37,109,895	99,1
Inventory	10,242,000	11,066,700	9,423,970	85,2
Professional & Special services	6,434,000	8,791,800	8,142,306	92,6
Other Goods and Services	27,863,000	38,661,728	36,595,052	94,6
Unauthorised expenditure	-	-	-	-
Machinery and Equipment	1,513,000	2,502,000	1,261,297	50,4
Land & Buildings	210,000	-	-	-
<b>Other Fixed Structures</b>	<b>86,536,000</b>	<b>144,313,000</b>	<b>138,725,432</b>	<b>96,1</b>
Other Capital Expenditure	-	-	-	-
<b>TOTAL</b>	<b>427,840,000</b>	<b>515,513,000</b>	<b>501,319,890</b>	<b>97,2</b>

### 3. Spending

Tremendous progress has been registered on service delivery since the implementation of the turn around strategy. The following financial performance on development funds has been recorded **as at 31 March 2007**

	<b>ROLL- OVER (R'000)</b>	<b>BUDGET 2006/07 (R'000)</b>	<b>FUNDS AVAILABLE (R'000)</b>	<b>ACTUAL EXPENDITURE (R'000)</b>	<b>% SPENT</b>
<b><u>CONDITIONAL GRANTS</u></b>					
Landcare	3,532	4,750	8,282	6,302	76
CASP	29,243	40,313	69,556	67,752	97
Drought Relief	16,000	-	16,000	15,999	100
<b>SUB-TOTAL</b>	<b>48,775</b>	<b>45,063</b>	<b>93,838</b>	<b>90,053</b>	<b>96</b>
<b><u>EQUITABLE SHARE</u></b>					
Settlement Support	12,505	26,650	39,155	39,494	100
Heritage Sites	4,803	6,517	11,320	9,177	81
<b>SUB-TOTAL</b>	<b>17,308</b>	<b>33,167</b>	<b>50,475</b>	<b>48 671</b>	<b>97</b>
<b>TOTAL</b>	<b>66,083</b>	<b>78,230</b>	<b>144,313</b>	<b>138,724</b>	<b>96</b>

*Sustainability ÷ Outdone sb.*

#### 4. Projects Consolidation

	<b>LAND CARE</b>		
<b>Category</b>	<b>Number</b>	<b>Budget</b>	<b>Expenditure</b>
Soil Fertility	1	500	500
Veld Improvement	7	5 482	4202
Awareness	Provincial	2,300	1600
<b>Total</b>		<b>8,282</b>	<b>6,302</b>
	<b>CASP</b>		
<b>Category</b>	<b>Number</b>	<b>Budget</b>	<b>Expenditure</b>
Livestock water	21	4,035	3,999
On Farm infrastructure	52	18,990	18,988
Broiler	19	2,820	2,820
Live Stock H. Facilities	56	4,977	4,977
Food security	24	6,349	6,349
Mechanization	39 (sets)	9,385	9,385
Training (Fencing)	300 (groups)	7,000	7,000
Fencing (Construction)	15	6,000	4,234
Fencing (Material)	Bulk supply	10,000	10,000
<b>Total</b>		<b>69,556</b>	<b>67,752</b>
	<b>DROUGHT</b>		
Drought relief	7 Municipalities	16 000	15,999
<b>Total</b>		<b>16,000</b>	<b>15,999</b>
	<b>SETTLEMENT SUPP.</b>		
<b>Category</b>	<b>Number</b>	<b>Budget</b>	<b>Expenditure</b>
Livestock water	1	457	457
On Farm infrastructure	26	6,036	6,036
Crop Production (inputs & fencing)	Provincial	28,000	28,189
Broilers	3	482	482
Livestock H. Facilities	15	4,000	4,150
Food security	2	180	180
<b>Total</b>		<b>39,155</b>	<b>39,494</b>
	<b>HERITAGE SITES</b>		
Taung and Vredefort	2	11,320	9,177
<b>Total</b>		<b>144,313</b>	<b>138,724</b>

## **5. Late Spending Patterns**

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
- The project funds were committed well in advance to ensure completion by year end.
- 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.
- 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 quarterly transfers delay implementation of projects thus leading to late spending
- Credit facilities for service providers affect completion of projects on time.

## **6. Status Quo for 2007/08**

The following are some of the activities that have already taken place in accordance with our implementation plans for the year-

- Projects List and funding agreements have been signed with the beneficiaries in April 2007
- Some tenders have already been awarded for some projects
- Some tenders are being adjudicated and will be awarded soon for other projects



- Funding Guidelines for Development Funds have been approved for implementation in the 2008/09 financial year. Advertisements will be issued late in May 2007 to begin plans for 2008/09

### **7. Monitoring Capacity**

The reports on projects are furnished by project managers through the District Directors on a monthly basis. These are then consolidated by the Chief Director with appropriate successes, challenges and measures to tackle these challenges. These reports are discussed monthly at Departmental Management Committee meetings.

In addition, the Department has established a Projects Coordination Directorate which is responsible for provincial reporting and monitoring as required by the national Department. The monitoring part is carried out under the leadership of a Deputy Director with four (4) Assistant Directors. Each of these Assistant Directors is assigned to one District. This Directorate visits projects on a monthly basis to verify and assess implementation against the business plans and the monthly reports furnished by the Districts.

### **8. Transfers**

There are no funds transferred to municipalities or other institutions.