

part **B**

performance information

Annual Report

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**rural development
& land reform**
Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA



1. Auditor-General's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the predetermined objectives heading in this report on other and regulatory requirements section of the auditor's report.

Refer to page 105 of the report of the Auditor-General, published as Part E: Financial Information.



2. Overview of Departmental Performance

Service delivery environment

The main focus of the department was to create an enabling environment to ensure that rural communities have greater opportunities to participate fully in the economic and social life of the country. Services provided by the department included access to land; access to basic services; the establishment of socio-economic infrastructure; skills development and job creation for rural communities; registration of title deeds and documents. The department has been delivering services to the public through legislation and policies that facilitate rural development and land reform and supported by a skilled and capable workforce.

The department continues to integrate with all spheres of government to deliver services to rural communities. In the year under review, the department has facilitated the formulation of Rural Development Plans (RDPs) in each district for integrated spatial planning. These are aimed at ensuring that there is integration of rural development and land reform interventions within the wider Comprehensive Rural Development Programme (CRDP).

The department conducted a Land Audit on private land ownership during the period under review and this revealed that black South African's own only 4% of the land in this country. Over the Medium Term Expenditure Framework, the National Treasury allocated the department a sum of R10.8billion to accelerate the settlement of the 2 581 restitution claims and R4.2billion to acquire 291 000 hectares of strategically located land to accelerate land redistribution. The department is constitutionally mandated to change the skewed land-ownership patterns while maintaining economic growth, food security, increased agricultural productions – all of which are priorities for the government and this department.

In the 2017/18 financial year, the department achieved 850 of 1 001 planned land claims to be settled. The challenge has been the non-acceptance of offers to land owners/sellers.

Land Reform over achieved on the number of hectares acquired by 59 626 from the planned target of 96 165 resulting in 155 791 hectares acquired in the 2017/18 financial year. Challenges faced under land reform relate to the delivery of Strengthening of Relative Rights (SRR) Programme. The department set a target of 18 SRR and achieved 5 (five). The reason for non-achievement was due policy gaps identified by the Executive Management of the department. This lead to projects being put on hold subject to the review of the policy.

The department further engaged the public and beneficiaries regarding services and products it offers. It participated in 123 exhibitions and outreach programmes - where information regarding departmental products and services was disseminated to the members of the public and also shared with beneficiaries.

The department continues to improve its efforts to render services to rural communities with the intention of contributing positively to the rural economy.

Service Delivery Improvement Plan

Main services provided and standards

Main Service	Beneficiaries	Current/actual standard of service (2017)	Desired Standard of Service	Actual Achievement
To facilitate the development of rural enterprise and industries	- Rural beneficiaries - Government departments and agencies - Business sector - NGOs and NPOs - Universities and FET colleges	- rural enterprise supported in rural development - skills development opportunities provided - job opportunities created	206 rural enterprises supported in rural development 3000 skills development opportunities provided 2918 job opportunities created	255 rural enterprise supported in rural development 4348 skills development opportunities provided 3 755 job opportunities created
To make 95 % of deeds available to clients within 7 days from lodgement for execution	Financial institutions, municipalities, government departments, general public, land owners, etc.	95% of deeds available within 7 days from lodgement for execution	Make 95 % of deeds available within 7 days from lodgement for execution	92% of deeds were made available within 7 days from lodgement for execution
To finalise the restoration of land rights and/or alternative forms of equitable redress	Dispossessed communities	804 land claims settled 672 land claims finalised 75 phased projects approved 1558 claims researched	1001 land claims settled 724 land claims finalised 105 phased projects approved 916 claims researched	850 land claims settled 865 land claims finalised 71 phased projects approved 1201 claims researched
To provide comprehensive farm development support to smallholder farmers and land reform beneficiaries for agrarian transformation	Rural communities and emerging farmers	84 Recapitalisation and Development commitments finalised 781 farmers trained through the Recapitalisation and Development Programme 1 422 jobs created in land reform farms through the Recapitalisation Development Programme	84 Recapitalisation and Development commitments finalised 1273 farmers trained through the Recapitalisation and Development Programme 5 000 jobs created in land reform farms through the Recapitalisation Development Programme	39 Recapitalisation and Development commitments finalised 581 farmers trained through the Recapitalisation and Development Programme 1 242 jobs created in land reform farms through the Recapitalisation Development Programme

Batho Pele arrangement with beneficiaries (Consultation access, etc.)

Current/actual Arrangement	Desired arrangements	Actual Achievements
Meetings and/or workshops held annually with claimant communities	Hold two meetings and/or options workshops held annually with 60% of claimant communities	Two meetings and/or options workshops held annually with 90% of claimant communities
Conduct Stakeholder workshops	Conduct nine Stakeholder workshops annually	Nine Stakeholder workshops conducted annually
Facilitate Council of Stakeholder meetings per region	Facilitate 15 Council of Stakeholder meetings per region	20 Council of Stakeholder meetings facilitated annually
Conduct workshops with beneficiaries per province	Conduct one workshop with beneficiaries per province	One workshop with beneficiaries per province conducted
Conduct meeting with beneficiaries per district per province per quarter	Conduct one meeting with beneficiaries per district per province per quarter	One meeting with beneficiaries per district per province per quarter was conducted
Conduct stakeholder engagement/information sessions with Branch Deeds Registration clients	Conduct four stakeholder engagement/information sessions annually	49 Stakeholder workshops conducted
Conduct community outreach programmes for Branch Deeds Registration Clients	Conduct four outreach programmes annually	93 outreach programmes conducted
Radio Talk shows for Branch Deeds Registration	Participate in one radio talk show annually	Participated in eight radio talk shows

Service Delivery information tool

Current/actual Arrangement	Desired arrangements	Actual Achievements
Conduct and participated in exhibitions or outreach programmes whereby information regarding departmental products and services were disseminated to the members of the public and also shared with beneficiaries.	The following information materials were distributed: - Extension of Security of Tenure Act (ESTA) - National Rural Youth Services Corps (NARYSEC) - Deeds Registration - Departmental bursaries - Spatial Planning and Land Use Management (SPLUM) - Land Audit Report - Good Stories about departmental projects - Annual Report and APP - Land Reform - Supply chain processes - Other departmental products and services	Department had participated in 123 exhibitions or outreach programmes in the 2017/18 financial year

Complaints Mechanism

Current/actual Arrangement	Desired arrangements	Actual Achievements
Nr of enquiries received : Presidential Hotline= 193	Refer to relevant stakeholders within 36 hours	90% of 193 enquiries referred within 36 hours
Nr of enquiries: Call Centre= 7 512	14 working days to resolve complaints received by the Call Centre	Addressed = 7 508 Outstanding= 4

Organisational environment

During the period under review, the department achieved 100% compliance for senior management financial disclosures submission by the due date. There is significant improvement on the senior management completion rate for submission of performance assessment at 92% when compared to levels 1-12 employees whose rate is at 78%.

Furthermore, the department undertook a project to design a micro level structure aligned to the macro structure. The Macro level structure clearly defines the roles and responsibilities at strategic, tactical and operational levels to be performed at national, provincial and district offices. The micro structure defines the functional responsibilities; the jobs required with the development of the job descriptions, the correct remuneration levels through the job evaluation of the jobs and the matching of skills and placement of the employees in the right positions.

The department implemented the recommendations of the Skills Audit Report to ensure that the officials are developed on the relevant skills sets needed to improve service delivery. A total number of 5130 employees were trained and developed on various programmes varying from management development programmes, project management, financial management skills and technical skills applicable to the department.

The officials were also orientated on the Policies and Legislation applicable to the department. A total number of 628 bursaries were awarded to employees to pursue their studies in the fields of Rural and Urban Infrastructure, Engineering, Environmental Sciences, Property and Real Estate, Law, Financial Management, Project Management; and Public Administration/Management. In addition, 591 interns were appointed in order to give them an opportunity for gaining work-place experience required to find employment.

The department showed that it values the well-being of its employees; a total number of 4079 participants were exposed to psycho-social services, executive wellbeing services, heart and stroke screening and personal financial management skills.

Key policy developments and legislative changes

The progress on some of the policies initiated during the period under review is as follows:

- The One Household, One Hectare Policy was adopted in 2016, and is currently being rolled out to ensure that households have access to land, particularly state land, including CPAs, as well as in instances of the 50/50 Framework Policy. The department initiated the programme to implement the policy in 2015 and to date it has granted approval of 158 sites benefiting 5 734 beneficiaries country wide. Of the approved 158 sites, 19 sites were implemented in Limpopo, benefiting 1 294 households of which the majority are female headed households.
- The Policy on Electronic Deeds Registration was finalised. The Bill was published for public comment in 2017 and the department received a certification opinion from the Office of the Chief State Law Advisor.
- The Extension of Security of Tenure Amendment Bill was passed by both the National Assembly and the National Council of Provinces. The Bill will be referred to the President by Parliament for final approval. Its main intervention is to promote long lasting solutions to land tenure insecurities among farm dwellers/workers through a dedicated programme of land redistribution for agricultural production and settlement.
- Policy on Strengthening Relative Rights of People Working the Land. In June 2016, the department adopted an Analytical Policy Framework to guide pilot programme implementation and further policy development. Its main objective is to institute a 50-50 shareholding land reform and joint venture capital arranged by government on behalf of farm workers and the private owner of the acquired farm. The 50-50 programme commenced in 2015 and to date it has considered 86 proposals, approved 20 projects of which 15 has been transferred to beneficiaries. The 20 approved farms amounts to 22 123ha in extent and will benefit 1 171 farm workers. A multi-disciplinary assessment is being undertaken to draw lessons from practice that will inform the department on future modalities when implementing the programme.
- Amendment to Communal Property Association (CPA) Act. The policy has been finalised and the CPA Amendment Bill, as at March 2018 has been passed by the National Assembly and referred to the National Council of Provinces. The Bill will apply to all CPA members as well as certain Labour Tenants and communities.

3. Strategic Outcome Orientated Goals

Strategic Goal 1	Corporate governance and service excellence
Goal Statement	Foster corporate governance and service excellence through compliance with the legal framework

Strategic Goal 2	Improve land administration for integrated and sustainable growth and development
Goal Statement	Improve land administration and spatial planning for integrated sustainable growth and development with a bias towards rural areas

Strategic Goal 3	Promote equitable access to and sustainable use of land for development
Goal Statement	An inclusive and equitable land dispensation with transformed patterns of land tenure and use

Strategic Goal 4	Promote sustainable rural livelihoods
Goal Statement	Improve access to services in rural areas through the coordination of quality infrastructure

Strategic Goal 5	Improved access to services
Goal Statement	Improve access to services in rural areas through the coordination of quality infrastructure

Strategic Goal 6	Sustainable rural enterprises and industries
Goal Statement	Promote economically, socially and environmentally viable rural enterprises and industries

Strategic Goal 7	Restoration of land rights
Goal Statement	Restoration of land rights in terms of the Restitution of Land Rights Act, as amended

4. Performance information by Programme

Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the department.

Sub-programmes

- Ministry
- Office of the Director-General
- Corporate Support Services
- Financial Services
- Provincial Coordination

Strategic Objectives

The following are the strategic objectives of Programme 1: Administration

- % compliance with public sector legal prescripts by 2020.
- Ensure 100% compliance with government regulations and legal prescripts by 2020.
- Obtain an unqualified regularity audit opinion on financial and non-financial performance by 2020.

Performance on strategic objective indicators

Programme 1: Administration							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
% compliance with public sector legal prescripts by 2020	92%	97%	94%	100%	87%	-13%	The variance is due to invoices that were not paid as a result of depleted budget.
Obtain an unqualified regularity audit opinion on financial and non-financial performance by 2020.	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	None	None

Programme Performance Indicators

Programme 1: Administration							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
% of valid invoices paid within 30 days upon receipt by Supply Chain Management	92%	97%	94%	100%	87%	-13%	The variance is due to invoices that were not paid as a result of depleted budget.
Unqualified audit opinion	Partially Achieved The department achieved an unqualified audit opinion with findings in the 2013-2014 financial year	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	Unqualified Audit opinion	None	None

The department under Programme 1 achieved one out of two planned targets. The areas of inadequate performance were on percentage of valid invoices paid within 30 days upon receipt by Supply Chain Management. The reasons for variance are stated in the table above.

Programme 2: Geospatial and Cadastral Services

Purpose: Provide geospatial information, cadastral surveys, deeds registration and spatial planning as well as technical services in support of sustainable land development.

Sub-programmes

- Registration of Deeds Trading Account
- National Geomatics Management Services
- Spatial Planning and Land Use Management
- South African Council for Planners

Strategic Objectives

- Ensure an integrated and comprehensive land administration system.

Performance on strategic objective indicators

Programme 2: Geospatial and Cadastral Services							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of deeds and documents registered	961 518	995 566	1 001 554	996 975	947 727	-49 248	The variance is due to a large number of deeds lodged that were rejected because they were not compliant with legislation and withdrawals by conveyancers. This was further exacerbated by the decline in the lodgement of deeds and documents due to the state of the economy.
Number of District Rural Development Plans (DRDP) facilitated for implementation	New indicator	24	15	35	37	2	The variance is due to John Taolo Gaetsewe District Municipality submitting a request to provide progress on the implementation of the DRDP and the analysis was included in the Q4 report. The Enhlanzeni DRDP was adopted additional to the two planned districts for Mpumalanga province. This necessitated its inclusion in the implementation and reporting, e.g. budget analysis, alignment with IOP project and IGR coordination.
% of Deeds made available within 7 days from lodgement for execution	New indicator	84%	86%	95%	92%	-3%	The variance is due to new Deeds offices being established and initially there was limited human resource capacity in those offices. Registration of deeds boundaries changed and the increased volumes in certain offices could not be predicted. Occasional power outages at several offices, e.g. Johannesburg lost power for close to 3 weeks which also affected service delivery.

Programme 2: Geospatial and Cadastral Services							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of maps of the national map series produced	1 800	273	269	204	223	19	The variance is due to the time taken to produce a map which depends on the amount of detail of the area in question. The lesser the detail, the quicker the production and thus more maps can be produced in a short space of time. In this instance, the target was over achieved due to most maps for the financial year being produced were for the less dense areas of the Limpopo, KwaZulu-Natal, North West, Eastern Cape and Northern Cape provinces.
Average number of working days taken to process registerable diagrams, sectional plans and general plans	New indicator	13	13	14	17	3	The variance is due to the poor quality of work submitted by private land surveyors during the year under review resulted in a high number of rejected jobs. Slowness in IT systems and network access problems in the Cape Town office caused major delays.

The department under Programme 2, achieved 3 of its 4 targets. The areas of inadequate performance were on percentage of deeds made available within 7 days from lodgement for execution and on average number of working days taken to process registerable diagrams, sectional plans and general plans. The reasons for variance are stated in the table above.

Programme 3: Rural Development

Purpose: Initiate, facilitate, coordinate and act as a catalyst for the implementation of a Comprehensive Rural Development Programme (CRDP) leading to sustainable and vibrant rural communities.

Programme Structure:

- Rural Infrastructure Development
- Rural Enterprise and Industrial Development
- National Rural Youth Service Corps

Strategic Objectives:

- Facilitation of infrastructure development to support rural economic transformation by 2020.
- Facilitate the development of rural enterprises and industries in areas with economic development potential and opportunities by 2020.
- Increase job opportunities and ensure skills development through CRDP and land reform initiatives by 2020.

Performance on strategic objective indicators

Programme 3: Rural Development							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
% support provided towards rural economic transformation	New	New	New	70%	126%	56%	The variance is due to high demand of projects that supports production in the country as they assist to revitalise rural towns and contribute to economic growth in the agricultural sector.
Number of opportunities provided for successful implementation of the CRDP	New	New	New	18 720	14 314	-4 406	The variance is due to the branch having facilitated additional skills development opportunities in Free State and KZN. Additional skills development opportunities were facilitated in various training programmes, including Leadership and Ethics, Business Management, Administration and Production Management. There were additional job opportunities that were created in various value chain projects, notably the wool, goats and cotton value chains.

Programme Performance Indicators

Programme 3: Rural Development							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of infrastructure projects facilitated to support production	239 (inclusive of AVMP & RVCP)	474 (inclusive of AVMP & RVCP)	269 (inclusive of socio-economic infrastructure, AVMP & RVCP)	120	149	29	The variance is due to high demand of projects that supports production in the country as they assist with economic growth in the agricultural sector.
Number of Agri-parks infrastructure projects facilitated	New indicator	29	53	53	53	None	N/A
Number of socio-economic projects facilitated in support of revitalization of rural towns & villages	123	115	269 (inclusive of socio-economic infrastructure, AVMP & RVCP)	30	46	16	The variance is due to the high demand in providing quality infrastructure in the provinces to revitalise rural towns.
Number of new agricultural enterprises supported in the 44 districts aligned to Agri-parks	442 (inclusive of non-agricultural enterprises)	216 (inclusive of non-agricultural enterprises)	192	141	194	53	The variance is due to focused intention to start operationalising the Farmer Production Support Units (FPSUs) in the Agri-parks which resulted in additional procurement of mechanisation, implements and production inputs.
Number of new non-agricultural enterprises supported in the 44 districts	New indicator	New indicator	51	55	57	2	The variance is due to KZN province that managed to support additional enterprises within the arts and craft value chain.
Number of skills development opportunities provided in rural development initiatives	9 509	9 516	7 993	Total=6 612 RID=3 612 (NARYSEC=2 132 RDMS=1 480) REID=3 000	Total=7 707 RID=3 982 (NARYSEC=2 442 RDMS=1 540) REID=3 725	Total=1 095 RID=370 (NARYSEC=310 RDMS=60) REID= 725	The variance is due to the branch having facilitated additional skills development opportunities in Free State and KZN. Additional skills development opportunities were facilitated in various training programmes, including Leadership and Ethics, Business Management, Administration and Production Management.
Number of job opportunities created in rural development initiatives	4 916	6 005	6 169	5 448 RID=2 530 REID=2 918	6 607 RID=2 326 REID=4 281	1 159 RID= -204 REID= 1 363	The variance is due to additional job opportunities that were created in various value chain projects, notably the wool, goats and cotton value chains. Late approval of projects that impacted on jobs.

The department under Programme 3 achieved 7 of the 7 planned targets for the year. The reasons for variance are captured in the table above.

Programme 4: Restitution

Purpose: Settle and finalise land restitution claims under the Restitution of Land Rights Act, (Act No. 22 of 1994).

Programme Structure:

- Restitution National Office
- Restitution Regional Offices
- Restitution Grants

Strategic Objectives:

- Facilitate the restoration of land rights or alternative forms of equitable redress by 2020.

Performance on strategic objective indicators

Programme 4: Restitution							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of land claims finalised	320	560	-	724	865	141	The variance is due to the following: 1) The continuous monitoring of the approvals vs. expenditure; 2) The provincial overachievement against set targets for GP (62); KZN (26), LP (52); MP (26) and NC (81) which contributed to the National overachievement for finalised claims. More focus was placed on the finalisation of claims in view of the challenges experienced with settlement.

Programme Performance Indicators

Programme 4: Restitution							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of land claims settled	428	617	804	1 001	850	-151	The variance is due to the following: 1) Slow response from OVG in terms of recommendations and sourcing of valuations. 2) Non-acceptance of offers from claimants and land owners, e.g. EC; KZN, MP and WC. 3) Historic valuations conducted by appointed valuers through OVG process do not align with the ToRs and Restitution Financial Policy, hence routed back to OVG for alignment, i.e. EC; KZN & WC.

Programme Performance Indicators (continued)

Programme 4: Restitution							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of phased projects approved	119	82	75	105	71	-34	The variance is due to the following reasons: 1) Slow response from OVG in terms of recommendations and sourcing of valuations e.g. NC; NW & LP. 2) Prolonged responses from land owners and claimants with regard to acceptance of offers; i.e. GP; KZN; MP and NW. 3) Full and final settlements for 11 phased projects, e.g. EC (2); GP (2); KZN (5); MP (1) and WC (1). 4) Multiple phases of the same project were settled whereas the project could only be counted once in the financial year e.g. LP (1); NW (5) and NC (2).
Number of claims lodged by 1998 to be researched	1 516	2 542	1 558	916	1 197	281	The variance is due to the following:- 1) The Quarter 1 target of 916, which is also the Annual Target, was not achieved in Quarter 1, leaving a variance of 849. 2) Based on the under-performance in Quarter 1, the National Research Task Team implemented an Intervention Strategy from Quarter 2 onwards. The Commission has been mandated to complete all outstanding research on the older claims.

The department under Programme 4 achieved 1 of 3 targets planned for the year under review. The areas of inadequate performance were on Number of Land Claims Settled and Number of Phased Project Approved. The reasons for variance are captured in the table above.

Programme 5: Land Reform

Purpose: Initiate sustainable Land Reform Programmes in South Africa.

Sub-programmes

- Land Reform National Office
- Land Reform Provincial Offices
- Land Reform Grants
- KwaZulu-Natal Ingonyama Trust Board
- Communal Land Rights Programme
- Agricultural Land Holdings Account

Strategic Objectives

- Promote equitable land redistribution and agricultural development by acquiring strategically located land by 2020.
- Provide comprehensive farm development support to smallholder farmers and land reform beneficiaries for agrarian transformation.
- Functional systems and institutional arrangements for tenure and land administration to enable agrarian reform in all provinces by 2020.

Performance on strategic objective indicators

Programme 5: Land Reform							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
% of total land allocated to smallholder farmers	New indicator	New indicator	-	50%	34%	-16%	The variance is due to delays at conveyancing on acquisition and delays of memorandums on direct disposal. Some of the projects were rejected by the District Land Reform Committees (DLRCs) resulting in lengthy processes (Internal/External).
% of hectares of land allocated under land reform to people living and/or working on farms	New indicator	New indicator	-	10%	10%	None	N/A
% of functional land tenure systems	New indicator	New indicator	-	100%	66%	34%	The variance is due to the lack of human resource capacity to process labour tenant applications; and four hard drives of the Land Administration Web (LAW) server at Telkom crashed for 6 weeks during the fourth quarter.

Programme Performance Indicators

Programme 5: Land Reform							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of hectares acquired	354 802	242 556	201 430 ALHA: 87,153ha HH: 7,124ha Restitution: 107,149ha	96 165	155 791	59 626	The variance is due to efforts by the department to fast-track land redistribution and an over-achievement of restitution acquisitions.
	Agricultural Holding Account			85 568	81 948	-3 620	Projects that were meant to contribute to this performance and ready did not go through in 2017/2018 plan: 1. Lifford (The owner had no alternative venue hence the transfer had to be delayed for 6 months) 2. Gedults Rivier (The transaction had to go through the legal process) 3. Schurverberg (Withdrawn) 4. Loskop Noord (Withdrawn) 5. Knoffelsvlei (Withdrawn)
	Household Grants			10 597	10 089	-508	Projects that were meant to contribute to this performance and ready did not go through in 2017/2018 plan: 1. Keilands and Rocky Nooks (Withdrawn)
Number of hectares allocated to smallholder farmers	New indicator	247 385	136 938	48 000	53 036.0500	5 036.0500	The variance is due to efforts by the department to fast-track land redistribution and allocation of farms to smallholder farmers.
Number of hectares allocated to farm dwellers and/or labour tenants	New indicator	3 910	18 275	9 600	15 437.8800	5 837.88	The variance is due to efforts to fast-track the settlement of labour tenant's claims and allocation of farms to farm dwellers.
Number of farms on Strengthening Relative Rights Policy acquired	New indicator	11	10	18	5	-13	The variance is due to policy gaps identified by the National Joint Strategic Committee during Q3. The following projects were put on hold subject to review of the policy: Sun Orange, Bergstroom, Bos Blanco, Mabaleng, Jurgens Boedery Beperk, Bloemendal, Southern Right, Delheim and Saamstaan Seven Oaks, Morgenzone, Leshoka Thabang and Stead Farm.

Programme 5: Land Reform							
Performance indicator	Actual Achievement (2014/15)	Actual Achievement (2015/16)	Actual Achievement (2016/17)	Planned Target (2017/18)	Actual Achievement (2017/18)	Deviation from planned target to Actual Achievement 2017/18	Reasons for variance
Number of household supported through the One Household, One Hectare programme	New indicator	New indicator	New indicator	5 000	4 640	-360	The variance is due to the procurement process that started late due to the process via MOUs not being acceptable SCM practice which affected the performance of Quarter 1, 2 and 3. Unreasonably high bidding prices and cancellation of bids led to re-tendering being necessary. Circular 100 of 2017 issued in October 2017 provided alternatives where bids were not accepted in a specific district and/or province.
Number of household supported through the One Household, Two dairy cows Programme	New indicator	New indicator	New indicator	384	8	-376	The variance is due to the procurement process starting late because MOUs were not acceptable SCM practice which affected the performance of Quarter 1, 2 and 3. Unreasonably high bid prices and cancellation of bids led to re-tendering and delays. Circular 100 of 2017 issued in October provided alternatives to procurement.
Number of jobs created in Land Reform Programme	1 925	2 271	2 742	5 000	4 140	-860	The variance is due to the underperformance in the 1HH1Ha indicator, the jobs meant to be created within that programme did not materialise.
Number of Communal Property Associations supported to be compliant with legislation	0	201	209	256	304	48	The variance is due to strategies put in place by the provinces to ensure improved performance.
Number of labour tenants applications settled	0	19	67	1 434	60	-1 374	The variance is due to the lack of human resource capacity to process labour tenant applications.
Number of State land parcels confirmed as vested	1 646	1 247	719	686	505	-181	The variance is due to four hard drives of the Land Administration Web (LAW) server at Telkom that crashed for 6 weeks during the fourth quarter.

5. Transfer Payments

Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Government Technical Advisory Centre (GTAC)	Advisory services on the implementation of PPP project for construction of consolidated office accommodation for PPP.	350 483	2 042	Approval of TAIL as per the PPP Manual
Agricultural Research Council	Providing expert agricultural research, skills development and technology support in terms of rural development, with specific reference to livelihood vegetable producers, skills development of agri-paraprofessionals and enterprise support and development with regard to the poultry, dairy, cotton and horticulture value chains. CATs Phase 2 in Mvezo in the Eastern Cape.	47 705	47 705	Support was provided to farmers and enterprises in the cotton, dairy value chain, poultry value chain and horticulture value chain in terms of inter alia: mentoring, purchasing and delivering of production inputs, equipment, tractors, and implements, provision of training, and research packaging and training module finalisation.
National Agricultural Marketing Council	Red Meat Improvement and Biomass programmes: Assisting rural communities and smallholder livestock farmers to participate in the National Red Meat Development Programme to improve food security and quality of animals at point of sale in EC, KZN, Limpopo, North West and	63 908	63 908	Inputs supplied for the Biomass planting programme, including fertilizer, chemicals, seeds, and support in terms of the red meat improvement programme in terms of equipment and facilities, including feedlots and kraals as well as delivering of feed and training and practical assistance to beneficiaries including assistance in auctions.
National Wool Growers Association of SA	Improving the profitability of wool sheep farming in the Eastern Cape, resulting in the drastic reduction of poverty within communities, improved income and job creation. Transfer of funds towards provisioning of animal and veld management infrastructure to rural communities to participate in the livestock (rams) improvement programme.	5 400	5 400	Removal of 3 000 inferior rams in 308 communities and introduction of 3 000 quality rams and on-going training and mentoring.
Council for Scientific and Industrial Research (CSIR)	Facilitating skills development, mentoring, technology transfer, technology support, productivity enhancement and rural industries development so as to realise jobs and wealth creation for rural people. 9 DD & ICT Centre ICT support and maintenance Delivery of I Pads	25 889	25 889	Development support was provided to Donkerhoek, Temothuo, Dutywa, Diyatalawa, Kei livestock, Isivuno industries in terms of inter alia delivery of agro-processing material and inputs, delivery vehicle, industry equipment such as water filters, architectural services; drawings and BOQ, development of business plans and due diligence.

Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Department of Defence	Government department	Training of youth including provision of accommodation and meals	Y	71 193	71 193	
Co-operative bank	Financing	Development and support of an Arts & Craft Co-operative Financial Institution (CFI)	Y	-	-	
Omnia	Financing	Support land reform beneficiaries through recapitalisation and loan funding and provide mentoring and technical support and on-site training. Also Promote and purchase agricultural production inputs to ensure development of rural farmers through REID	Y	-	-	
University of Zululand	University	Cooperatives graduates programme for students doing Diploma in Management of Cooperatives	Y	2 462	2 462	
Human Sciences Research Council	Business advisory	Post settlement and Development Support Project (PSDSP)	Y	3 735	3 735	
Heifer Project	Training, technical support and mentoring	To improve the productivity of goat herds and related health interventions through the use of CAHWs as well as on-going research in this regard.	Y	8 783	8 783	
Grain SA	Training, technical support and mentoring	Skills development, mentoring and technical support to rural people in the Grain sector and grain value chain and support in mechanisation systems	Y	-	-	
United Nations Development Programme	Consultancy and business advisory	Conduct socio-economic impact assessment of Communal Land Tenure Bill and Communal Property Association Amendment Bill.	Y	12 719	12 719	
Stellenbosch university	University	Training and development of employees	Y	410	410	

6. Conditional grants

Conditional grants and earmarked funds paid

The table/s below details the conditional grants and ear marked funds paid for the period 1 April 2017 to 31 March 2018.

Department/ Municipality to whom the grant has been transferred	None
Purpose of the grant	None
Expected outputs of the grant	None
Actual outputs achieved	None
Amount per amended DORA	None
Amount transferred (R'000)	None
Reasons if amount as per DORA not transferred	None
Amount spent by the department/ municipality (R'000)	None
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	None

Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds paid for the period 1 April 2017 to 31 March 2018.

Department/ Municipality to whom the grant has been transferred	None
Purpose of the grant	None
Expected outputs of the grant	None
Actual outputs achieved	None
Amount per amended DORA	None
Amount transferred (R'000)	None
Reasons if amount as per DORA not transferred	None
Amount spent by the department/ municipality (R'000)	None
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	None
Monitoring mechanism by the transferring department	None

7. Donor Funds

Donor Funds received

Name of donor	Participatory Settlement and Development Support to land reform beneficiaries and rural citizens
Full amount of the funding	ZAR 60,500,000 (EUR 6,050,000)
Period of the commitment	01 September 2011 to 31 December 2016 (Still continued in 2017/18 financial year)
Purpose of the funding	Improving the quality of the service delivered to beneficiaries. This requires a better range and fit of resources and more stakeholders contributing to the process (different government institutions and spheres of government, the private sector and civil society). • Improving co-ordination and integration across all levels. This will speed up delivery, include more stakeholders and resources, and improve quality. • Improving information, learning and knowledge management. The process of improving feed-back and learning – in terms of policy, procedures and products – needs to be strengthened. The PSDS' Joint Steering Committee of 29 October 2014 agreed that the further focus of PSDS should be in support of DRDLR's strategies towards Rural Economic Transformation, and that it will require a longer implementation window than originally foreseen.
Expected outputs	The support provided via the PSDS was designed to contribute to three specific result areas: • Analysis of integrated rural development interventions in pilot municipalities; • Integrated rural development interventions are better coordinated and integrated in pilot municipalities. Stakeholder capacities for coordinated integrated rural development interventions are improved.
Actual outputs achieved	The Final Evaluation Team found that the PSDS project was set up as an intervention that was fully aligned with the DRDLR and Outcome 7 of the Medium Term Strategic Framework (MTSF) of the South African Government
Amount received in current period (R'000)	ZAR 8 922
Amount spent by the department (R'000)	ZAR 8 800
Reasons for the funds unspent	1.Slow payment of invoices. 2.High number of BAS misallocations which are only corrected in March or April. Inability of DRDLR to correct mistakes even if it is brought to their attention numerous times, i.e. unauthorised use of Belgium Funding in KZN PSSC and duplicate payments of invoices (all BAS AP payment documents are available on the DRDLR F-BASE system).
Monitoring mechanism by the donor	1.Expenditure monitored by PSDS Belgium Senior Program Manager and Project Officer through means of BAS Expenditure Reports supplied by DRDLR Financial Division. 2.Internal Audit in 2013 by BTC Brussels. 3.External Audit in 2014 by Moore Stephens UK – framework agreement between BTC Brussels and Moore Stephens UK. 4.Final Evaluation in 2017 by Thomas Pijnenburg, External Consultant appointed by BTC Brussels.

8. Capital Investment

Capital investment, maintenance and asset management plan provide commentary on the following:

	2017/2018			2016/2017		
Infrastructure projects	Final Appropriation R'000	Final Appropriation R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Final Appropriation R'000	(Over)/Under Expenditure R'000
New and replacement assets						
Existing infrastructure assets				-	-	-
Upgrades and additions	279	279	-	724	724	-
Rehabilitation, renovations and refurbishments	-	-	-	1 173	1 173	-
Maintenance and repairs	-	-	-	-	-	-
Infrastructure transfer						
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	279	279	-	1 897	1 897	-