

### **3. Report of the Portfolio Committee on Rural Development and Land Reform on Budget Vote 39: Rural Development and Land Reform dated 17 May 2017.**

The Portfolio Committee on Rural Development and Land Reform, having considered the Strategic Plans (2015 – 2020), the 2017/18 Annual Performance Plans, and budget allocations for the Department of Rural Development and Land Reform, the Commission on Restitution of Land Rights and the Ingonyama Trust Board, reports as follows:

#### **1. Introduction**

This report accounts for processes facilitated by the Portfolio Committee on Rural Development and Land Reform (the Committee) to consider Budget Vote 39: Rural Development and Land Reform. The Vote encompasses the Department of Rural Development and Land Reform (the Department), the Commission on Restitution of Land Rights (the Commission), and the Ingonyama Trust Board (ITB). Briefings on, and analysis of, strategic plans, annual performance plans and estimates of expenditure are an integral part of the afore-mentioned processes. The plans and resource allocation were tested against the President's 2017 State of the Nation Address (SONA), the National Development Plan (NDP), Medium-Term Strategic Framework (MTSF), the Estimates of National Expenditures (ENE) by the National Treasury, and the 2017 Budget Speech by the Minister of Finance. The Committee further referred to previous Budget Review Recommendations Reports (BRRR) and Budget Vote Reports to assess implementation progress as well as future plans and directions of the Department and entities. The Committee thus held briefing sessions with the ITB and the Commission on 2 May 2017 and the Department on 3 May 2017, with further deliberations on the operational plans of the three entities on 9 and 10 May 2017. The final report was adopted on 17 May 2017.

The key concern of the Committee was to assess whether the key priorities of the Department were clearly enunciated, programmes put in place and sufficient resources allocated in order to give effect to the constitutional imperatives for the redress of skewed land ownership patterns and the legacy of colonial and apartheid policies. Given this focus, this report proceeds as follows: It presents an overview of the strategic context and priorities as well as estimates of expenditure of the Department and its entities; it documents the Committee's key conclusions, taking into consideration the implementation track record of the Department; and it concludes with recommendations for consideration by the National Assembly.

#### **2. The Department of Rural Development and Land Reform**

The mandate of the Department, as articulated in its Strategic Plan 2015-2020, is to create and maintain an equitable and sustainable land dispensation; and acting as a coordinator and catalyst in rural development to ensure sustainable rural livelihoods, decent work and continued social and economic advancement of all South Africans. The mandate draws on Sections 24, 25 and 27 of the Constitution. Against this backdrop, the vision of the Department is to ensure attainment vibrant, equitable and sustainable rural communities and its mission is to initiate, facilitate,

coordinate, catalyse and implement an integrated rural development program. The vision and mission of the Department is underpinned by agrarian transformation as a strategy. Agrarian transformation is defined by the Department as a rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and community.

## **2.1 Strategic context, goals and the key priorities for the 2016 financial year.**

The Strategic Plan (2015-2020) proposes concrete plans and interventions to address marginalisation and deprivation of the poor, especially those living in the rural areas. This marginalisation results from the legacy of apartheid's spatial design which excluded blacks from the mainstream of the economy, unequal land ownership patterns, underutilisation and unsustainable use of natural resources, weak coordination of planning and implementation of rural development programmes, and inability of rural areas to attract sustainable enterprises and industries. The Minister of Rural Development and Land Reform alludes, in the APP, that what is required is radical socio-economic transformation. A change that is sought is the one where there is fundamental shift in the existing order of the agrarian structure and relations; meaning the patterns of ownership, power and production in favour of the poor and marginal groups.

The 2011 Green Paper on Land Reform proposes an agrarian transformation system that comprehensively integrates land reform and rural development. This system has been adopted as a strategy for transformation of rural economy and it involves the following development measurable: meeting basic human needs; rural enterprise development; agro-village industries, sustained by credit facilities and value-chain markets; and improved land tenure. It is a strategy to transform rural economy in line with Chapter 6 of the NDP which seeks to achieve integrated rural areas where residents will be economically active, have food security, access to basic services, health-care and quality education. The NDP further acknowledges the potential to create 300 000 jobs in different levels of farming. These ideals have been incorporated into the MTSF of government.

The 2014-2019 MTSF sets out the following priorities: increase the percentage of productive land owned by previously disadvantaged individuals from 11.5 per cent in 2013 to 20 per cent by 2019 (or 16.2 million hectares); reduce the percentage of households who are vulnerable to hunger from 11.4 per cent in 2013 to less than 9.5 per cent; reduce the percentage of the population living below the lower bound poverty line (R443 in 2011 prices) from 32.3 per cent to below 22 per cent; and reduce rural unemployment. The Committee noted that achievement of these targets could be achieved if there is collaborative efforts by various government departments, most importantly the Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform.

In view of the MTSF priorities discussed above, the Department identified seven priority areas that are linked to the NDP policy imperatives, namely:

- Improved land administration and spatial planning for integrated development with a bias towards rural areas;

- Up-scaled rural development as a result of coordinated and integrated planning, resource allocation and implementation by all stakeholders;
- Sustainable land reform;
- Improved food security;
- Smallholder farmer development and support for agrarian transformation;
- Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas; and
- Growth of sustainable rural enterprises and industries characterised by strong rural-urban linkages, increased investment in agro-processing, trade development and access to markets and financial services resulting in rural job creation.

Table 1: Strategic outcome oriented goals

<b>Strategic Goal</b>	<b>Strategic Goal Statement</b>
- Corporate governance and service excellence	- Foster corporate governance and service excellence through compliance with the legal framework
- Improved land administration for integrated and sustainable growth and development	- Improve land administration and spatial planning for integrated sustainable growth and development with a bias towards rural areas
- Promote equitable access to and sustainable use of land for development	- An inclusive and equitable land dispensation with transformed patterns of land tenure and use
- Promote sustainable rural livelihoods	- Improve rural livelihoods as a result of capabilities, income and job opportunities provided
- Improved access to services	- Improve access to services in rural areas through the coordinated of quality infrastructure
- Sustainable rural enterprise and industries	- Promote economically, socially, and environmentally viable rural enterprises and industries
- Restoration of Land Rights	- Restoration of Land Rights in terms of the Restitution of Land Rights Act, as amended.

Source: DRDLR (2015) Strategic Plan of the Department of Rural Development and Land Reform (2015-2020)

Whilst Table 1 above illustrates the strategic goals; Table 2 below illustrates strategic objectives according to the five main programmes (Programme 1 to 5). The Committee noted that the

strategic objectives of the Department largely remained unchanged. However, it commended the Department for continuing to include performance indicators on tenure security on farms and support to Communal Property Associations (CPAs). However, the main concern related lack of clearly articulated interventions for the enforcement of the Interim Protection of Informal Land Rights Act (IPILRA) or other policies for protection of tenure rights residents of communal lands. Secure tenure for rural dwellers is extremely vital, especially in the conjuncture of mining development in communal areas. Nonetheless, the Committee welcomed plans to finalise the Communal Land Tenure Policy and related Bill. It further noted that the Extension of Security of Tenure Amendment Bill has been processed by the National Assembly and has been referred to the National Council of Provinces (NCOP).

Table 2: Strategic objectives of the Department of Rural Development and Land Reform

<b>Programme</b>	<b>Strategic Objective</b>
1. Administration	<ul style="list-style-type: none"> <li>- Compliance with all public sector legal prescripts</li> <li>- Unqualified regularity audit opinion</li> <li>- Skills development for improved service delivery</li> </ul>
2. National Geomatics Management Services	<ul style="list-style-type: none"> <li>- Improved spatial planning</li> <li>- Integrated and comprehensive land administration system</li> </ul>
3. Rural development	<ul style="list-style-type: none"> <li>- Job creation and skills development in rural areas</li> <li>- Quality infrastructure provided</li> <li>- Functional and institutional arrangements</li> <li>- Facilitate the establishment of rural enterprises and industries</li> </ul>
4. Restitution	<ul style="list-style-type: none"> <li>- Land Rights restored</li> <li>- Redress land rights lost after 1913</li> </ul>
5. Land Reform	<ul style="list-style-type: none"> <li>- Strategically located land acquired</li> <li>- Support to rural communities to produce their own food</li> <li>- Farm development support provided to smallholder farmers</li> </ul>

Source: DRDLR (2015) Strategic Plan of the Department of Rural Development and Land Reform (2015-2020)

The Committee also noted that the mandate of the Department has expanded tremendously since the establishment of the Department, especially an inclusion of the rural development component with components like the ‘One Household-One Hectare, ‘One Household Two Dairy Cows’, ‘River valley Catalytic Programme, and the so-called ‘50/50’ programme. Against this backdrop, Table 3 below illustrates the priority projects for the 2017/18 financial year and key performance areas to receive attention. Realignment of organisational structure is central to building an effective organisation to drive the mandate.

Table 3: Priorities and key focus performance indicators for 2017/18

Priorities	Key Performance Areas
<ul style="list-style-type: none"> <li>– Agri-Parks</li> <li>– Revitalisation of the Agriculture and Agro-processing Value-Chain (RAAVC)</li> <li>– Accelerate the pace of land reform and protection of vulnerable communities</li> <li>– One household, one-hectare programme</li> <li>– Realignment of the organisational structure to ensure effective and efficient service delivery</li> </ul>	<ul style="list-style-type: none"> <li>– Roll-out of the Agri-Parks Programme across 44 District Municipalities for food production, design and construction of new infrastructure</li> <li>– Scaling up implementation of the programme on Strengthening of Relative Rights of People working the Land (50/50 policy)</li> <li>– Speed up processing of Labour Tenants applications, especially Mpumalanga and KwaZulu-Natal</li> <li>– Acquisition and allocation of land to smallholder farmers</li> </ul>

Over the MTSF, other priorities of the Department include: recapitalisation and development of redistributed farms; socio-economic and River Valley Catalytic Programme together with the Animal and Veld Management programme; lodgement of land claims, National Rural Youth Service Corps; Security of Tenure; and coordination of the work for the South African Geomatics Council.

Appraisal of the strategic objectives, illustrated in Table 2 as well as priorities in Table 3, demonstrates the extent of alignment of the programmes of the Department and the NDP priorities as outlined through the MTSF. It further demonstrates an alignment of the plans to relevant MTSF priorities and Outcome 7 of the 14 Outcomes of government. Section 3 of this report will demonstrate how each programme contributes to the priorities set out in Table 3 above.

## 2.2 Priority legislation and policies to be developed over the medium-term

Following the publication of the 2011 Green Paper on Land Reform, the Department has embarked on protracted process of policy development which entailed extensive public consultations. Out of that process, a plethora of policies and legislative amendments were proposed. The Committee noted that the capacity of the Department in relation to policy and legislation development was weak, hence failure to submit relevant policies to the Committee despite repeated requests and to table bills in the National Assembly in line with its own legislative programme. The Committee expressed deep concerns over lack of open engagement between the Department and the Portfolio Committee on new policies. It particularly referred to the following policies: Strengthening Relative Rights for People working the land (50/50 policy), the ‘One Household-One Hectare’ and the recently pronounced ‘One Household Two Dairy Cows’ programmes. These programmes have been added to the River Valley Catalytic Programme and Animal Veld Management Programme. The concerns arise due to budgetary constraints for acceleration of the constitutional imperative for land redistribution and restitution. Evidence shows that since 2009, budget for redistribution has been in decrease while rural

development has been on the rise, suggesting a reprioritization of funds in favour of some of the initiatives under the rural development programme. Other concerns raised by the Committee can be recorded as follows:

- The Department has shifted from piloting the ‘50/50’ policy, having started with 10 sites in 2016/17, to a full roll out of the programme. However, the Committee noted that there has not been an engagement with the Department about the lessons and policy review after the pilot stage of the policy. It was concerned about rolling out a programme where lessons have not been discussed and policy reviewed to address the programme pitfalls.
- The Committee expressed concerns regarding the ‘One Household Two Dairy Cows’ programme which was being implemented without any policy discussion with the Committee or submission of a policy document with which the Committee could hold the Department accountable. The Committee was particularly concerned about lack of clear criteria for selection of beneficiaries as has been the case in other programmes of the Department.
- Policy on Exceptions to the 1913 cut-off date was long overdue, and the Department and the Commission were urged to finalise the policy. Similarly, the policy on access to Historical Land Marks and Heritage Sites as pronounced by the President during the SONA of 2012 was long overdue.

With regard to legislative programme, the Committee noted that the track record of the Department has also not been satisfactory. During 2016/17, only the ESTA amendment Bill was referred to the Committee. For the 2017/18 financial year, the Department has planned to process the following pieces of legislation:

- *Regulation of Agricultural Land Holding Bill, 2017*: This Bill seeks provide for regulation of communal land, disclosure by landowners of their nationality, race and gender; the circumstances under which foreign persons may own and/or have access to land; the establishment and maintenance of a register of land ownership; the submission of information on public land; the establishment and composition of the Land Commission; and the resolution of disputes over situations in which two or more title deeds have been issued in respect of the same parcel of land. At the time of the briefing session, the Bill had been submitted to the Office of the Chief State Law Advisor for a pre-certification opinion.
- *Deeds Registries Amendment Bill, 2017*. The Bill seeks to effect technical amendments to the Deeds Registries Act to improve on some of the technical implementation challenges.
- *Electronic Deeds Registration Systems Bill, 2017*: It seeks to amend the Deeds Registries Act to provide for the electronic registration of Deeds.
- *Communal Land Bill, 2017*: The Bill provide for the regulation of communal land; legal security of tenure by transferring communal land, including KZN Ingonyama land, to

communities and members of communities; the administration of communal land by communities; communal land administration committees and households' forums; land rights enquiries; establishment of the Communal Land Board; and amendment and repeal of certain laws.

- *Sectional Titles Amendment Bill, 2017 (Deeds)*: The Bill seeks to effect technical amendments to the Deeds Registries Act to address technical problems experienced in administering the Act.
- *Planning Profession Amendment Bill, 2017*. The Bill was still at a drafting stage, and there were no target dates for completion of the drafting.
- *Land Survey Amendment Bill, 2017*. The Bill seeks to effect amendments to the Land Surveys Act to address technical challenges that are experienced in the administration of the Act for the purpose of stimulating the economy and promoting security of tenure.
- *Planning Profession Amendment Bill, 2017*: The Bill seeks to provide for the transformation of the planning profession; review of categories for registration; transforming and realignment of planning education; development of accreditation criteria for the accreditation of planning programs/schools; identification of areas of work for planners; maintenance of a high standard of professional conduct and integrity; and the development of competencies and standards for curriculum development

The Committee welcomed an intension to process the above-listed pieces of legislation during the 2017/18 financial year. However, it also noted that it might be extremely difficult to keep the Department to account on these plans due to the absence of set timeframes by which the pieces of legislation are set to be tabled in Parliament. For that reason, the Committee requested the Department to submit a legislative programme with clear timeframes by which the Department could be held to account.

### **3. Overview of the 2017/18 Budget and MTEF Estimates**

Programmes for redistributive land reform and targeted development support underpin successful agrarian transformation. In this context, resource allocation is central to such process. The overall government spending on agriculture, rural development and land reform will increase by 2 per cent from just under R26 billion in 2016/17 to R26.5 billion in 2017/18, and will amount to nearly R30 billion in 2019/20. It reflected an annual average increase rate of 4.7 per cent. This would account for 1.9 per cent of total government spending over the next three years. Expenditure on these sectors is aimed at stimulating rural development and food production, and assist emerging farmers. With regard to the Department, financial resources allocation is illustrated in Table 4 below.

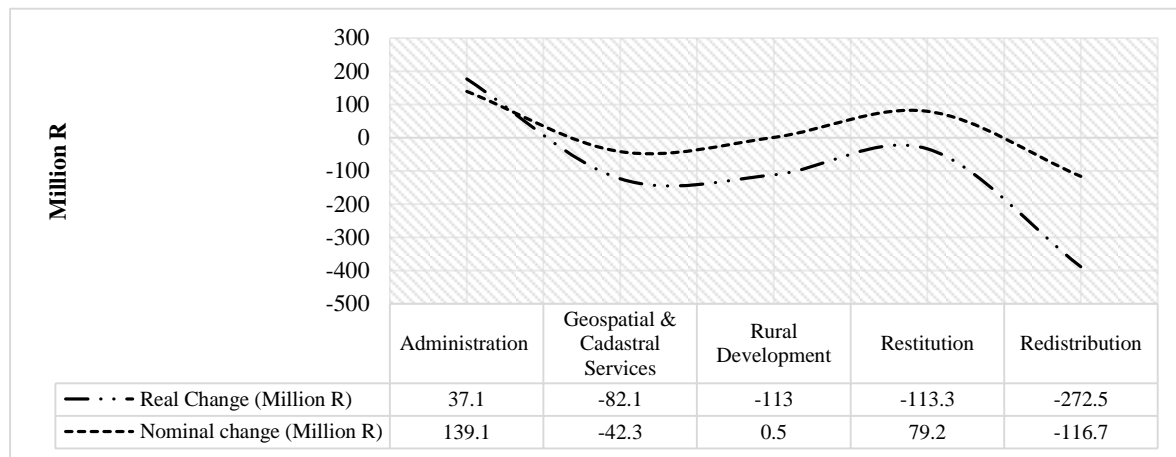
Table 4: Estimates of Expenditure for the Department of Rural Development and Land Reform

Programme	Budget Allocations (R million)			
	2016/17	2017/18	2018/19	2019/20
Administration	1 582.5	1 721.6	1 799.8	1 876.7
Geospatial & Cadastral Service	714.4	672.1	701.5	754.1
Rural Development	1 914.4	1 914.9	1 951.2	2 069.0
Restitution	3 168.2	3 247.4	3 441.3	3 651.2
Land Reform	2 744.9	2 628.2	2 759.5	2 939.8
<b>TOTAL</b>	<b>10 124.4</b>	<b>10 184.2</b>	<b>10 653.3</b>	<b>11 290.8</b>

Source: National Treasury (2017) Estimates of National Expenditure, Budget Vote 39

The total allocation of the Department period is R32.1 billion over the MTEF. The Committee noted that this budget increased from R10.124 billion in 2016/17, R10.184 billion in 2017/18 and R11.3 billion in 2019/20. This trend represents a minimum increase of 0.59 per cent in nominal. However, in real terms it is a decrease of 5.37 per cent. This is discussed and illustrated below. Given this trend, the Committee expressed concerns about the extent to which the decreasing budget could accelerate land redistribution and restitution, especially settlement and finalisation of all land claims in the next 24 months. For radical economic transformation, more funding for land reform in general and state support would be required.

Figure1: Real & Nominal Budget Changes (2016/17-2017/18)



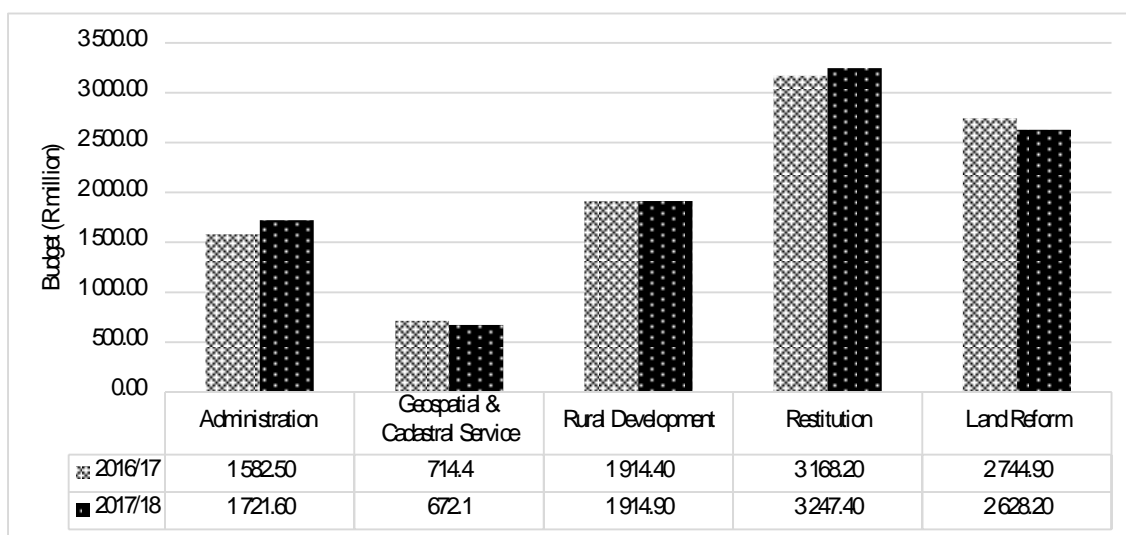
As illustrated in Figure 1 above, four of the five programmes of the Department have a real decrease in budget allocation. The real concern is that real decline affected the three critical programmes that drive radical socio-economic and agrarian transformation; those programmes are rural development, restitution and redistribution. Of the four programme, the worst affected is land redistribution with a real decrease of approximately R272, 5 million; that is, from R2 744.9 billion to R2 628.2 billion; that is, 4.25 per cent nominal decrease but almost 10 per cent real decrease. Why has redistribution experienced such a decrease given the call for radical economic transformation and acceleration of land redistribution is matter for further discussion



in the Portfolio Committee, save to say funding for Agri-parks, 50/50 projects, One Household-One Hectare and One Household-Two Dairy Cow have been prioritised.

Figure 2 below illustrates the spread of the 2017/18 budget across the five programmes. Having noted that in real terms the budget of the Department has been in decline, it is worth to mention that the programme for land restitution, which takes the largest share of the total budget, appear to have received an increase from R3.16 billion in 2016 to R3.24 billion in 2017. Despite a decrease, land redistribution is the second most funded programme with an allocation of R2.62 billion. It accounts for 25.81 per cent of the entire budget of the Department. Rural development accounts for 18.8 per cent of the entire budget. The three programmes combined account for 76.5 per cent of the total 2017/18 budget. As discussed above, the Committee expressed a disquiet regarding the decrease in funding for land redistribution. It argued that this decrease contradicts the popular calls for acceleration of the pace of redistribution of land. Further details about funding of programme priorities are discussed in section 3.1 of this report.

Figure 2: Allocation of funds by programme



In terms of economic classification of the budget, about R6.24 billion or 61.4 per cent of the total budget is allocated for transfers and subsidies. The biggest share of ‘Transfers and Subsidies’ is allocated for Households; that is, R4.683 billion, 75 per cent of the budget for transfers and subsidies. It covers land acquisition or payment to beneficiaries. Another sizable amount of money is under the Current payment which is allocated R3.910 billion of which R2.910 billion is for Compensation of Employees (CoE); that is, 56.1 per cent of allocation for Current Payments. Over the MTEF period, the Department expects to reduce allocation for CoE by R1.2 billion in order to effect Cabinet decision on fiscal prudence. The most affected programmes are Agricultural Land Holding Account (ALHA). Whilst the Department assured the Committee that service delivery would not be negatively affected, the Committee noted the impacts already seen

under some programmes; for example, the NARYSEC and restitution. In the next sections, the report summarises programme allocations and some of the responses by the Committee.

### **3.1 Overview of programme allocation**

As discussed earlier, the mandate of the Department is carried out under the five programmes, including the mandate of the Commission on Restitution of Land Rights implemented as programme 4 of the Department. The remainder of the programmes are: 1. Administration; 2 Geospatial and Cadastral Services; 3. Rural Development; and 5. Land Redistribution and Development.

#### **3.1.1 Administration (Programme 1)**

The programme comprises five sub-programmes; that is Ministry, Office of the Director General, Corporate Support Services, Financial Services and Provincial Coordination. The budget for administration has nominally increased by 8.8 per cent from R1.582 billion to R1.721 billion. However, analysis of the budget with adjustments for inflation factored in shows that the decrease amounts to 2.35 per cent. Nonetheless, the budget will increase nominally by 5.9 per cent over the MTEF period. One of the main drivers of expenditure in this programme is office accommodation which received an additional allocation of R478.7 million in 2017/18. It is understood that this allocation would enable the Department to build a campus for the Department's national office in Pretoria. Over the MTEF period, this project would cost a total amount of R961.1 million. The biggest share of the budget is Current Payment which amounts to R1.709 billion or 99.3 per cent of the total budget the Programme; goods and services takes R973 million of that budget.

#### **3.1.2 Geospatial and Cadastral Services (Programme 2)**

The programme deals with provision of geospatial information, cadastral surveys, deeds registration, spatial planning information and other technical services to support sustainable land development. For the 2017/18 financial year, the programme has been allocated R672 million, a decrease from an adjusted R714 million in 2016/17. In real terms, this is equivalent to 11.5 per cent decrease in budget. It is mainly related to a 7.65 per cent and 0.3 per cent decrease in allocation for the National Geomatics Sub-programme and Spatial Planning and Land Use Management sub-programmes respectively. These two sub-programmes combined account for 96.9per cent for the Programme.

#### **3.1.3 Rural Development (Programme 3)**

Rural development programme contributes toward rural economic transformation, the growth of rural economies and creation of job opportunities in rural areas especially among rural through Agri-parks and NARYSEC. Amongst others, the programme is expected to contribute to creation of 1 million jobs in rural economies by 2030. Other initiatives under this programme are One

Household-One Hectare and One Household Two Dairy Cows to promote food security and improved rural livelihoods. The budget has increased from an allocation of R1.914 billion in 2016/17 to R1.914 billion in 2017/18, representing a minimal nominal increase of 0.05 per cent or decrease of 5.9 per cent in real terms. The biggest share of total budget for rural development goes to Transfers and Subsidies, amounting to R1.554 billion or 81 per cent of the allocation for the programme. Other sub-programmes are Rural Infrastructure Development (RID), National Rural Youth Service Corps (NARYSEC) and Rural Enterprise and Industrial Development (REID) which have been allocated as follows:

- RID has been allocated R924.3 million; this is 48.3 per cent of the total budget for rural development programme – a largest share of the budget allocation for this programme. It mainly goes to improvement of basic infrastructure for households and income generating opportunities.
- NARYSEC receives an allocation of R1.2 billion over the medium-term. However, the budget is set to decline from R437.5 million in 2017/18 to R406.6 million in 2019/20. Whilst there is a decrease in allocation for NARYSEC, the number of participants is set to increase by 2700 each year over the medium term to reach a total of 8 100 by 2019/20. The Committee noted that the decrease in budget is one of the results of the cost-containment measures, and increase in participants has been credited to increased allocative efficiency.
- REID encompasses programmes such as ‘One Household One Hectare’ and ‘One Household Two Dairy Cows’. Its budget is set to decrease by 4.9 per cent in nominal terms or 10.6 per cent in real terms. The Committee expressed concerns regarding these decreases yet the expectations for the support to rural communities has been heightened due to introduction of other initiatives such as the ‘One Household Two Dairy Cows’.

### **3.1.4 Land Reform (Programme 5)**

The Constitutional imperative to foster equitable land access is a key mandate of this programme. The Committee noted that the budget allocation to this programme decreased from R2.744 billion in 2016/17 to R2.688 billion in 2017/18; a 9.9 per cent in real terms. All the sub-programmes have been affected by a real decrease in budget except for the Office of the Valuer-General (OVG). The OVG has seen a significant real increase of 227.6 per cent in 2017/18 compared to 2016/17. The Committee welcomed budget increase for the OVG which could result in increased capacity for objective property valuations in support for land reform. It is anticipated that the process would accelerate land reform through affordable land redistribution and restitution.

- Agricultural Land Holding Account (ALHA) accounts for 54 per cent of the total budget of the programme. It is responsible for acquisition and warehousing of land and leasing it to beneficiaries. The sub-programme has been allocated R1.495 billion in 2017/18.
- Transfers and Subsidies take the largest share of the budget; that is, R2.045 billion, a decrease from R2.146 billion in 2016/17. About R1.489 billion goes to Departmental agencies and accounts.

- About R317 million has been reprioritised and set aside for the implementation of the Extension of Security of Tenure Amendment Bill when it becomes operational.

### **3.2 Public Entities and other agencies**

In addition to the ITB, together with the Ingonyama Trust, and the Commission, two other entities/agencies report under the Department; namely, the Agricultural Landholding Account (ALHA) and the Registration of Deeds Trading Account.

- (a) *Agricultural Land Holding Account:* The ALHA was established in 2009 with a sole purpose to acquire, hold and lease land to beneficiaries under the Proactive Land Acquisition Strategy (PLAS). The entity's main strategic goal over the medium term in line with national priorities is to acquire strategically located land for redistribution. The total annual budget for ALHA in 2017/18 is R1 419 billion, a 10.68 per cent decrease in real terms compared to 2016/17. ALHA is expected to acquire 85 568 hectares of strategically located land for redistribution in 2017/18 at the budget of R967.2 million. The expenditure on acquisition of productive land is expected to decrease from the adjusted allocation of R1.495 billion in 2016/17 to R1.419 billion in 2017/18. This is a matter of great concern to the Committee because the allocation because it means that less hectares will be acquired for redistribution.
- (b) *Registration of Deeds Trading Account (RDTA):* The purpose of the RDTA is to contribute to effective land planning, administration and property registration, which is aligned to the national priority of improving land administration and spatial planning. The Account registers rights in land and maintains public registers of land. It generates revenues by selling information and levying fees in accordance with the schedules of fees prescribed in the regulations. The main priority over the medium term will be the improvement of the property registration process and to expedite the registration of title deeds. Over the MTEF period there are no transfers from the Department to the Trading Account. The Trading Account's total budget for 2017/18 is R749 million.

### **3.3 The Commission on Restitution of Land Rights**

The Commission was established in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) to provide restoration of land rights and equitable redress in line with the provisions of section 25 (7) of the Constitution. Previously, it had been reported that by the 31<sup>st</sup> December 1998, a total of 79 687 claims had been lodged. However, in 2018 the Committee noted that the Commission has reported that approximately 80 000 land claims had been lodged by 1998. Failure to provide a definite number of claims lodged by 31<sup>st</sup> December 1998 suggests lack of credible and reliable database of pre-1998 land claims. Nevertheless, by 31<sup>st</sup> December 2016, approximately 79212 of the pre-1998 land claims had been settled. Of all the settled land claims, 18274 remained not finalised; that is, 23.1 per cent of the settled claims. By end of December 2016, about 6 989 land claims were outstanding.

The Committee observed the following developments which has a bearing on the functioning of the Commission:

- By the end of March 2016, the Commission had a commitment register of R5.7 billion.
- Amendment of the Restitution of Land Rights Amendment Act in 2014, resulted in the reopening of the lodgement of land claims with effect from 29 June 2014 had been set aside by the Constitutional Court. Over 120 000 land claims had been received but not being processed.
- The national evaluation of the Restitution Programme by the DPME recommended that the autonomy of the Commission should be upheld, hence the proposed restructuring of the Commission.
- Of the 6989 outstanding land claims, only 916 land claims were not researched.

### **3.3.1 Strategic priorities for the Commission on Restitution of Land Rights in 2015/16**

The purpose of the Commission is to settle and finalise land claims under the Restitution of Land Rights Act (Act No. 22 of 1994). Its strategic goal is to facilitate the restoration of land rights or alternative forms of equitable redress by 2020. In line with MTSF, Outcomes framework of government, and the NDP, the Commission identified three strategic goals as follows:

- Land rights restored in order to support land reform and agrarian transformation by 2020.
- Lodgement of restitution land claims re-opened for people who did not meet the 1998 deadline.
- Organisational change management.

Drawing on the previous SONAs and other policy statements, the Committee noted the Agriculture, Land Reform and Rural Development Phakisa and its commitment to stimulate socio-economic growth, foster job creation, and instil transformation along the agriculture and rural development value- chain. It further noted the role that the Commission was expected to “fast track the settlement of the outstanding restitution claims in a sustainable manner”. It thus implies that the Commission must finalise research on all the outstanding research work on 916 land claims by the end of the first quarter of 2017/18 and all outstanding claims be settled within in the next 24 months. The Committee noted and welcomed this undertaking. However, it expressed concern about the budget allocation did not correspond to the targets of Phakisa initiatives. It is therefore unlikely for the Commission to settle all outstanding land claims in 24 months given the budgetary constraints and a need to avoid increasing the commitments.

Whilst the APP ably articulates plans regarding acceleration of the settlement of the pre-1998 outstanding land claims as a key priority, there are critical elements which have not been clearly articulated in the plans, except for an amendment of the Restitution of Land Rights Act, (Act 22 of 1994) is set to be tabled as a private member’s legislation. These issues were identified as follows:

- Policy exceptions to address pre-1913 land claims which targets, amongst others, the Khoi-San communities.
- Policy on claims to historical land marks and heritage sites.
- Concrete plans regarding a fully autonomous Commission on Restitution of Land Rights and the budgetary requirements.

Table 5 below illustrates indicators with regard to restoration of land rights or alternative redress as provided for in the Restitution of Land Rights Act.

Table 5: Number of land claims to be processed between 2017 and 2020

Key indicators	Actual performance				MTEF Targets	Annual Targets		
	2015/16		2016/17			2017-2020	2017/18	2018/19
	Targ et	Actu al	Targ et	Actu al				
No of land claims finalised	373	560	374		2421	724	832	865
No of land claims settled	463	617	454		3331	1001	1151	1179
No of phased projects approved	53	119	72		335	105	112	118
No of land claims researched	2660	2541	1530		916	916	-	-
Total claims processed	3549	3837	2093		7003	2746	2095	2162

Source: Various reports of the CRLR (2016) and DRDLR (2017) Annual Performance Plans of the Department of Rural Development and Land Reform

### 3.3.2 Overview of estimates of expenditure for restitution (the Commission)

Table 6 below illustrates the budget allocations for land restitution. The programme has been allocated R3.25 billion in 2017/18, which is a nominal increase of 2.5per cent. However, in real terms, the budget decreases by 3.6per cent when compared to R3.17 billion allocated in 2016/17. Over the MTEF period, the budget increases at the average annual nominal growth rate of 4.8per cent or decrease by 1per cent in real terms.

Table 6: Programme 4 Appropriations for 2016/17 and 2017/18

Sub-programme R million	Budget		Budget Change (R)		Budget Per cent change	
	2016/1 7	2017/1 8	Nomina 1	Real	Nominal	Real
Restitution National Office	217.5	210.7	- 6.8	- 19.3	-3.13 per cent	-8.87 per cent
Restitution Regional Offices	442.0	427.9	- 14.1	- 39.5	-3.19 per cent	-8.93 per cent
Restitution Grants	2 5 0 8 . 6	2 6 0 8 . 8	100.2	- 54.4	3.99 per cent	-2.17 per cent
TOTAL	3 1 6 8 . 1	3 2 4 7 . 4	79.3	- 1 1 3 . 2	2.5 per cent	-3.57 per cent

As Table 6 above illustrates, restitution is divided into three sub-programmes; that is, national office which accounts for 7 per cent of the total budget of the Commission, regional offices accounting for 13 per cent, and restitution grants which accounts for 80 per cent. Whilst there is a nominal increase of close to 4 per cent in the allocations for restitution grants, in real terms it decreased by 2.17 per cent. Restitution Grants, which received an allocation of R2.6 billion in 2017/18, will be used for the settlement and finalisation of outstanding claims. Further, the following allocations should be taken into account; that is, a total of R503.7 million will be spent on consultants, including research of 916 land claims in the first quarter of 2017/18, a total of R10.3 billion is allocated for settling land restitution claims.

### 3.4 The Ingonyama Trust and the Ingonyama Trust Board

The Committee noted that, for the first time, the ITB has tabled the budget for two separate entities; that is, for the Ingonyama Trust and the ITB. The Ingonyama Trust was established in terms of the KwaZulu-Natal Ingonyama Trust Act No 3 of 1994. Its mandate is to hold the land for the benefit of the communities living on Trust Land. Therefore, the Ingonyama Trust functions as a landowner-in-law of the Ingonyama Trust Land (previously owned by the KwaZulu Government). To date, such land has been estimated to be 2, 844,903 hectares under some 1600 individual titles in all of the 11 Districts of KwaZulu-Natal and eThekweni Metro and mostly, if not all, occupied or used by traditional communities under the traditional leaders. The

Kwazulu-Natal Ingonyama Trust Act No 3 of 1994 was amended by the National legislation; that is, Act 9 of 1997, to provide for the establishment of the (ITB).

The ITB is a schedule 3A Public Entity and reports to the Minister of Rural Development and Land Reform. As the accounting authority, the ITB derive its mandate from the founding legislation and the Public Finance Management Act (Act 1 of 1999). The vision of the ITB is to become a leader in sustainable communal land management and its mission is to contribute to the improvement of the quality of life of the members of traditional communities living on Ingonyama Trust Land by ensuring that land management is to their benefit and in accordance with the laws of the land. The ITB has innovatively set out to develop best practices “to ensure that by 2025 all persons occupying its land shall have formal tenure in the form of a lease on surveyed land”. The main objective of ITB is to administer the Trust land for the material benefit and social wellbeing of the communities living on Trust land. Its strategic objectives are as follows: unlocking an enabling environment for conducive to development on Trust land; effective and efficient asset management services; provide Human Resource Management; and support to Traditional Councils in capacity building programs.

### **3.4.1 Estimates of expenditure for the Ingonyama Trust and Ingonyama Trust Board**

The focus of expenditure over the medium-term will be on optimal land management and use for material benefit and social wellbeing of the local communities on Trust land, as well as empowerment of members of traditional communities living on Trust land. The total budget of the Ingonyama Trust is made up revenue from its own income earned through trading activities. Its revenue income is earned from leases and investment. In terms of the disbursement policy, 90 per cent of the income earned through trading activities is to be used for the benefit of communities and 10 per cent of the income should be used for the Board’s operational/ administrative expenses. The internal administrative costs of the ITB are met through a transfer payment from the Department. However, as will be discussed in the sections to follow, the transfers have not been sufficient to cover the administrative costs. The following sections summarises the allocations and the Committee’s responses to the allocation.

#### **(a) Ingonyama Trust**

As indicated in Table 7 below, the total budget for the Ingonyama Trust for the 2017/18 financial year is R114.1 million, representing an increase of 16.5 per cent in nominal terms or 9.6 per cent in real term when compared to 2016/17 budget. The increase is mainly influenced by a nominal increase of 6.5 per cent for Administration and 30 per cent for Real Estate when compared to 2016/17 allocations. The 2017/18 budget for the Administration is R59.7 million, and the administration sub-programme accounts for 75.6 percent of the total budget of the programme.



Table 7: Expenditure Estimates for Ingonyama Trust

Programme  R million	Budget				Rand Change		Percentage change	
					Nominal	Real	Nominal	Real
	2016/17	2017/18	2018/19	2019/20	2016/17-2017/18		2016/17-2017/18	
Administration	56.105	59.760	59.134	62.032	3.655	0.113	6.5%	0.2%
Real Estate	41.817	54.356	56.687	59.185	12.539	9.318	30.0%	22.3%
Land Asset Management	2.046	4.335	4.552	4.779	2.289	2.032	111.9%	99.3%
Rural Development	9.500	11.550	11.797	12.051	2.050	1.365	21.6%	14.4%
Trad. Council Support	30.271	38.471	40.338	42.355	8.200	5.920	27.1%	19.6%
<b>TOTAL</b>	<b>97.922</b>	<b>114.116</b>	<b>115.821</b>	<b>121.217</b>	<b>16.194</b>	<b>9.431</b>	<b>16.5%</b>	<b>9.6%</b>

Source: ITB (2017) Annual Performance Plan of the Ingonyama Trust Board (2017/18)

The Real Estate Programme, which has three sub-programmes as illustrated above, has been allocated R54.3 million which is an increase of 30 per cent as compared to the previous year. The Committee appreciated an increase in this programme during 2017/18 and further increases in the outer years have been noted. It is assumed that this trend points to prioritisation of making more money available for the material benefits of the traditional communities that reside in Trust land. For 2017/18 financial year, R38.4 million has been reportedly made available for the material benefit of communities living on Trust land. However, a concern was that instead of distributing 90 per cent of income earned through trading activities, most of the money was being channelled to investments because of failure of traditional councils submit business plans for the release of funds due to them. Most of the resources were used for training of traditional councils.

Three sub-programmes were created for this programme; namely Traditional Council Support, Asset Management and Rural Development. The Committee expressed concern regarding lumping of support to traditional councils and rural development as Real Estate. It suggested that the ITB should review this configuration. Traditional Council Support Sub-programme accounts for 71 per cent of the entire budget for the Real Estate Programme. It has been allocated R38.471 million the 2017/18 financial year. Having noted that almost all the performance indicators under this programme relates to training of Amakhosi, the Committee expressed concerns over the focus on traditional council structures rather than traditional communities who reside on the land. The fact that the sub-programme for Rural Development sub-programme was allocated R11

million only also raised further concerns. The Committee noted an allocation of R550 000 for Funda Zulu Bursaries.

#### **(b) Ingonyama Trust Board**

The total budget allocation for the ITB for 2017/18 amounts to R24 million, which represents a nominal increase of 8 per cent or 1.6 per cent in real terms. The total budget allocation of R24 million includes transfer from the Department of R19.8 million and R4.2 million from the Ingonyama Trust (10 per cent of the Trust income) in line with the Disbursement policy.

Table 8: Expenditure Estimates for ITB over MTEF

<b>Programme</b>	<b>Budget</b>				<b>Rand change</b>		<b>Per cent change</b>	
					<b>Nominal</b>	<b>Real</b>	<b>Nominal</b>	<b>Real</b>
<b>R million</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2016/17-2017/18</b>		<b>2016/17-2017/18</b>	
Administration	12.442	15.375	16.143	16.950	2.933	2.022	23.57 %	16.25 %
Cost of Employment	9.827	8.686	9.121	9.567	-1.141	-1.656	-11.61 %	-16.85 %
<b>TOTAL</b>	<b>22.269</b>	<b>24.061</b>	<b>25.264</b>	<b>26.517</b>	<b>1.792</b>	<b>0.366</b>	<b>8.05%</b>	<b>1.64%</b>

Source: ITB (2017) Annual Performance Plan of the Ingonyama Trust Board (2017/18)

The Committee noted that the ITB has a total shortfall or deficit of R19.7 million for operational/administrative expenditure. The current transfer payment from the Department only covers 50 per cent of the ITB's administrative expenditure. The Committee also noted that the transfers from the Department have increased from R18.8 million in 2016/17 to R19.7 million in 2017/18, which represents a nominal increase of 4.8 per cent but a decrease of 1.4 per cent in real terms. Over the medium terms transfers are expected to increase at average growth rate of 5.5 per cent. The ITB reported that shortfall will be covered by transfer from the Ingonyama Trust. At the time of documentation of this report, the Committee was yet to discuss the implications for oversight and accountability as well as the legality of the separation.

#### **4. Summary of key conclusions drawn from the deliberations on the Strategic Plan, the Annual Performance Plan of the Department, the Commission, and the ITB**

Having deliberated the findings and observations on budget allocations and Annual Performance Plans of the Department, the Commission and the ITB; the Committee drew the following conclusions:

## **4.1 General conclusions**

- The policy processes being discussed and finalised without engaging relevant Parliamentary oversight committees could potentially weaken parliamentary oversight and accountability.
- The transfers of the administration of the ‘recap’ policy to the Department of Agriculture, Forestry and Fisheries as well as the SPLUMA to the Presidency has pointed to a need for discussion on the mandate and the configuration of the Department. The transfers could impact service delivery because of the following reasons: (a) lack of clarity relating to budget allocation for ‘recap’; and (b) the budget for SPLUMA and operational plans were still located within the DRDLR.

## **4.2 Department of Rural Development and Land Reform**

### **4.2.1 Administration**

- The programmes of the Department are aligned to government priorities outlined in the NDP. The programmes also respond to the relevant Phakisa initiatives, especially in relation to agricultural development and land reform.
- The continuous decline of expenditure as a share of total government spending as well as the fact that budget for this portfolio accounts for less than 1 per cent of the entire government budget could affect service delivery amid rising calls for acceleration of redistribution of land and policy pronouncement of rural development and land reform as a priority of government.
- A decrease in budget allocation for Compensation of Employees was as a matter of great concern because it could potentially impact negatively on the capacity of the Department and the Commission to perform its complex and expanding mandate.
- The absence of estimates of timeframes for submission of planned policy and legislation to Parliament was a major weakness in the legislative programme of the Department. It created a challenge regarding the Committee’s overall responsibility to hold the Executive to account on finalising planned policies and bills.

### **4.2.2 National Geomatics Management Services**

- The transfer of the administration of SPLUMA to the Presidency without clear delineation of responsibilities could potentially affect service delivery. The capacity of municipalities to produce the development schemes and plans as provided for in the SPLUMA could take longer than anticipated and the tensions with institutions of traditional leadership regarding SPLUMA would escalate.
- A decrease in budget allocation for this programme is likely to have negative impact on SPLUMA as a sub-programme.
- Ongoing challenges to the E-cadastre project have delayed the implementation of this innovative way of an electronic deeds system.

- A delay in the finalisation of the second phase of the land audit contributed to lack of information about ownership of land by race, gender, and nationality. Availability of such information is necessary for determining progress relating to changes of the patterns of land ownership in South Africa.

#### **4.2.3 Rural Development**

- Agri-parks are potentially an innovative way to revitalise rural economies through agriculture and agro-processing but lack of publicly available clear policy on some of the projects such as ‘One Household One Hectare’ and ‘One Household Two Dairy Cows’ is concerning. It makes holding the Department accountable ineffective.
- National Treasury’s commitment to resolve the duplication of programmes between Department of Agriculture Forestry and Fisheries and Department of Rural Development and Land Reform was welcome by the Committee. Similar approach should be extended to other government departments; for example, Department of Small Business Development in relation to REID and Cooperative Government and Traditional Affairs as well as Public Works in relation to RID. The process could enhance clarity on the functions of the Department.
- The delay in issuing of certificates to NARYSEC graduates has been a constraining factor to processes to create of skilled base among youth within rural communities. If this matter is not addressed, the programme could fail to improve the lives of rural youth.

#### **4.2.4 Land Reform**

- Expenditure of land reform as a percentage share of the total expenditure of programmes of the Department has been in decline. If this trend is not reversed, it could impede processes to accelerate the pace of redistributive land reform.
- The split of the land reform programme into land redistribution and development as well as land tenure was a welcome initiative which could result in a focussed land management under ALHA; especially lease management and allocation of land to deserving beneficiaries and support them through the ‘recap’ programme.
- The reported transfer of administration/implementation of the ‘recap policy’ to the Department of Agriculture Forestry and Fisheries could potentially result in more efficient farmer support by the relevant and capacitated line function department. Noting that the programme does not have dedicated funds and that it had been using 25 per cent of the budget for land acquisition, Department of Agriculture Forestry and Fisheries is likely not to provide any support to land reform beneficiaries.
- Prioritisation of acquisition of strategically located land matched clearly targeted beneficiaries and with adequate development support, both in terms of pre and post settlement stages of the project could address some of the weaknesses of the current programme of land reform.
- Local level alignment and clarification of roles amongst the various levels of institutions and agencies set up by the Department (namely, District Land Committees, land rights

management committees, land rights board) is necessary lest they ultimately compete against one another. Delay is capacitation of the Office of the Valuer-General through widely consultative process of development of the Property Valuation Act Regulations and recruitment experienced and progressive property valuers might render the office ineffective.

#### **4.2.5 Restitution - Commission on Restitution of Land Rights**

- Processes to establishment of an autonomous Commission have not progressed at pace anticipated and was yet to be concluded. It meant that the Commission continues to operate as programme 4 of the Department. This state of affairs is inconsistent with the intentions under the Restitution of Land Rights Act (Act 22 of 1994).
- Finalisation of establishment of an autonomous structure of the Commission should address the overlap of roles between the Commission and the Department, especially legislated functions of the Department in relation to establishment and support to CPAs as required in terms of the CPA Act.
- Given the commitments of about R5.7 billion, the burden on the fiscus and a need for better planning and capacity to settle and finalise claims without delay is of utmost importance. Better planning could be achieved if there was assessment of the outstanding land claims, the commitments on existing claims, including the cost of settlement and finalisation of such claims.
- Close monitoring of research of 916 outstanding land claims is necessary in order to ensure that all land claims are researched by the end of the first quarter of the 2017/18 financial year.
- The fact that 18274 of the 79212 settled claims are yet to be finalised was a matter of concern. The claims not yet finalised constitute 23.1 per cent of the settled claims. If not attended to, it could obscure the extent of the challenge that confronts the Commission. It also has implications for processing new claims that have been lodged since 2014 and potential large numbers of land claims to be received if the Restitution of Land Rights Amendment Bill was passed.
- Failure to conduct an in-depth analysis of claims received has contributed to lack of clear numbers of claims lodged by 1998, categorisation of claims by state land (and what it is used for), private agricultural, industrial and residential land, and communal land.

#### **4.2.6 The Ingonyama Trust Board**

- Under the Real Estate programme, 71 per cent of the budget for the programme goes to training of traditional council structures and not empowerment of traditional communities under the rural development programme and land asset management. Prioritisation of Traditional Councils (dominated by Amakhosi) and not traditional communities in the form of rural development could fail to radically transform the socio-economic status of rural communities.

- Overlap of policies and programmes of ITB and government Departments, for example land tenure policy of the ITB and the Communal Land Tenure Policy of the Department, Economic Development Plans of the ITB and the Municipal local economic development plans as well as the IDPs, could heighten the tensions between ITB and other government agencies. It thus points to a need for improved relations and coordination between the ITB and local government.
- The ITB has not resolved perennial question raised by the Auditor-General in relation to asset management. Inability to resolve this matter has implications toward achievement of clean audit. An intervention by the OVG is likely to start a process to resolve an impasse between the AGSA and the ITB about this matter in particular.

## **5 Recommendations**

In view of the observations and key conclusions discussed above, the Committee recommends that the Minister of Rural Development and Land Reform should -

### **Administration**

- Continuously engage with National Treasury about increases in allocation of budgets for redistribution and restitution programme because they are central to the radical transformation of the agrarian structure.
- Finalise review of the organogram with a view to prioritise critical posts that should be advertised and filled without delay, especially the critical ones as recommended in the next three bullets.
- Ensure that Policy and Research Unit is adequately capacitated so that policy development and legislative processes initiated over the last few years over the last few years are synergised and completed.
- Enhance the capacity of the Monitoring and Evaluation component of the Corporate Services branch to ensure that the Department can conduct outcome-based socio-economic impact assessments of programmes and enterprise analyses of various land reform farms, especially the ‘recap’, the ‘50/50’, and the Agri-Parks to assess the viability of production and how these enterprises benefit the intended beneficiaries.
- Submit a revised legislative programme outlining realistic targets for tabling of planned pieces legislation in the National Assembly.

### **National Geomatics Management Services**

- Submit to the National Assembly a report on the transfer of administration of the SPLUMA to the Presidency, indicating implications for funding, personnel and parliamentary oversight. The report must also indicate how the transfer would empower municipalities in terms of development planning and improved service delivery.
- Engage stakeholders including traditional leaders and various government and non-government entities to resolve some of the challenges and objections to the implementation

of the Spatial Planning and Land Use Management Act. The Minister must also report to the National Assembly the outcome of such engagements.

- Table a report on the investigations regarding establishment of an e-cadastre for South Africa.
- Finalise and submit the final report of the second phase of the land audit without delay.

## **Rural Development**

- Consult the National Treasury, Department of Agriculture Forestry and Forestry and other relevant government Departments to review all programmes under rural development, especially those linked to revitalisation of agriculture and agro-processing as well as small business development, with intensions to avoid duplication of work as well as ensure unnecessary overlap.
- Conduct a review of the NARYSEC programme to assess if the programme has achieved the intended outcomes over the last five years, highlight the challenges encountered, and highlight implications for future implementation of the programme.
- Submit all new policies relating to projects and initiatives introduced under this programme, namely the ‘One Household Two Dairy Cows’ and the ‘One Household One Hectare’.

## **Restitution (Commission on Restitution of Land Rights)**

- Fast-track reconfiguration of an autonomous Commission as per the Restitution of Land Rights Act.
- Continuously engage National Treasury about increasing allocation of funding of restitution to clear the commitment register of settled land claims.
- Prioritise research of the 916 pre-1998 land claims and ensure monitoring of research conducted by service providers to ensure that research output is useful for settlement of land claims and can stand the test at the Land Claims Court, when necessary.
- Develop and implement mechanisms for feedback to claims in line with the Restitution of Land Rights Act (Act No 22 of 1994).
- Review and assess the statistics of all the land claims lodged prior to 31st December 1998 in order to produce the final number of land claims are outstanding for settlement and for finalisation. The Commission should also analyse claims according to ownership and land use, for example state land, private ownership, and communal land; engage National Treasury about the funds required to accelerate the finalisation of the land claims; and submit an implementation plan for settlement of 6989 outstanding land claims within 24 months and finalisation over the MTEF period.
- Develop mechanisms to track the use of Section 4C development grants by beneficiaries of land restitution. Further submit a comprehensive report on funding released by the Commission to the ‘recap’, detailing the amounts and communities targeted and what the amounts were used for. Further report about communities who qualified for Section 42C support but their fund had not been released by 31 March 2017.

- Conduct an analysis of the Commitment register to ascertain number of communities or individuals that the Commission owes, age analysis of the each commitment, and develop a time bound plan with which these commitments could be cleared.

### **Land Reform**

- Ensure that the pace of the land redistribution is increased by finalising policy frameworks to guide an interface of the Office of the Valuer-General and the Commission as well as the entire chain for acquisition of strategically located land.
- Conduct enterprise analysis and socio-economic impact assessment of a sample of the ‘recap’ , ‘50/50’ and other PLAS farms in order to assess whether government funds invested under this programmes were yielding viable and sustainable farming businesses.
- Ensure capacity of the Department to monitor land reform projects, especially an interface of strategic partnership and mentorship programmes and distribution of rewards or dividends to beneficiaries.
- Submit policy documents and progress reports on the following: Agri-Parks, 50/50 pilot projects, and ‘One Household One Hectare’ programmes. Amongst others, the report should indicate the extent to which these programmes targets marginal groups such as women, youth and people living with disabilities and the emerging patterns in terms of the socio-economic impact of the interventions.
- Fast-track the finalisation of the Integrated Funding Model, together with National Treasury and the Department of Agriculture, Forestry and Fisheries; and ensure that this completed by the end of the 2017/18 financial year.

### **The Ingonyama Trust Board**

- Facilitate resolution of key questions and concerns raised by the Auditor-General in relation to the value of the ITB’s land/property so that the ITB could move toward achievement of an unqualified clean audit. Further submit quarterly progress report on implementation of the remedial measures.
- Conduct a comprehensive socio-economic impact assessment of the performance of the ITB and how the beneficiaries have materially and socio-economically benefited from the ITB programmes.
- Review programmes to ensure implementation of ITB policy provision for allocation and use of 90 per cent of the revenue of the Trust the material benefit of traditional communities living on the Ingonyama Trust Land.

The Committee further recommends that, within the three months after the adoption of this report by the National Assembly, the Minister should submit a report that tables responses and progress report in the implementation of the above recommendations.

Report to be considered.