



**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA



**rural development
& land reform**

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OFFICE OF THE DIRECTOR GENERAL

Private Bag X833, Pretoria, 0001; 184 Jeff Masemola Street, Pretoria

Tel: 012 312 8911; Fax: 012 323 6072; Email: queries@ruraldevelopment.gov.za

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MINISTER	(FOR INFORMATION)
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ESTABLISHMENT OF COVID-19 DISASTER INTERVENTION SCHEME IN FAVOUR OF SMALLHOLDER AND COMMUNAL APPLICANTS AS WELL AS PROCEDURES RELATED THERETO

1. BACKGROUND

- 1.1 On 15 March 2020, His Excellency, President Cyril Ramaphosa, announced the declaration of a national state of disaster in terms of the Disaster Management Act, 57 of 2002 in response to the COVID-19 global pandemic. Subsequent to the declaration of the disaster, the President declared a national Lockdown starting from midnight of 26 March 2020 to midnight of 16 April 2020. The Lockdown was occasioned by the rapid spread of the COVID-19 virus in South Africa. The COVID-19 disaster and the attendant national Lockdown have far-reaching ramifications for the agricultural sector in South Africa, which are likely to impact negatively on food production and supply value chain, especially in rural areas.
- 1.2 The pandemic has necessitated the scaling up of hygiene practices on farms, food processing and packaging facilities. Furthermore, the disaster is likely to cause limited access to agricultural inputs as well as diminishing income-earning potential of farmers, especially smallholder and communal farmers as the country is under Lockdown. These negative effects are likely to result in food insecurity for the nation and thus require urgent intervention.

- 1.3 In order to cushion farmers and households (who rely on agriculture) from the negative impact resulting from the COVID-19 pandemic and ensuring continued food supply to the nation, the Minister of Agriculture, Land Reform and Rural Development announced the allocation of an amount of R1.2 billion towards assisting with the provision of production inputs to smallholder and communal farmers. Furthermore, some Proactive Land Acquisition Strategy (PLAS) farms/farmers will also benefit from the R1.2 billion in line with the former Department of Rural Development and Land Reform's Stimulus Package. It is also planned that rural communities in three Districts where the District Development Model is being piloted, namely O.R. Tambo District, Ethekwini Metro and Waterberg District, will be provided with hygiene products as part of an effort to prevent the spread of the pandemic. The Minister's intervention, in general, is aimed at ensuring food security whilst the country grapples with the COVID-19 pandemic. For easier communication, it is proposed that this intervention be termed "COVID-19 Disaster Agricultural Support Fund (CDASF)".
- 1.4 Accordingly, certain key agricultural commodities have been identified for support with specific production inputs. The commodities have been prioritised as follows:
- 1.4.1 **Poultry:** Day-old chicks, point-of-lay chickens, feed, medication and sawdust.
 - 1.4.2 **Vegetables:** Seedlings, fertilisers, pesticides, herbicides, soil correction.
 - 1.4.3 **Fruits:** Chemicals for final spray in preparation of harvest.
 - 1.4.4 **Other livestock:** Feed and medication.
 - 1.4.5 **Winter field crops:** Soil correction, fertilisers, seeds, herbicides and pesticides.
- 1.5 The following Qualifying Criteria shall apply:
- 1.5.1 South African citizens who have been actively farming for a minimum of 12 months.
 - 1.5.2 Communal/subsistence Applicants.
 - 1.5.3 Smallholder producers with an annual turnover of R20,000 up to R1 million.
 - 1.5.4 Preference shall be given to women (50%), youth (40%) and people with disabilities (6%) in the above-mentioned categories.
 - 1.5.5 Applicants who are currently in production.
 - 1.5.6 Producers of poultry, vegetables, fruit, winter field crops and livestock;
 - 1.5.7 Applicants should be registered on the Farmer Register, Commodity Organisation database, or provincial Department of Agriculture and Rural Development's database. (Those who are not on any database will automatically be registered on the Farmer Register in order to benefit).
 - 1.5.8 Funding will be made available to address shortfalls that will negatively affect the current production.
 - 1.5.9 Applicants must follow good farming practices.
 - 1.5.10 Only one Applicant per household.

1.6 The following Exclusions shall apply:

- 1.6.1 Applications for mechanisation, infrastructure and overhead costs.
- 1.6.2 Applicants who are preparing for the 2020 summer production season.
- 1.6.3 Applicants who are currently receiving support through other programmes of government and its entities.
- 1.6.4 Payment for existing debts.

1.7 The maximum allocation per Applicant is R50,000.00.

2. MODE OF IMPLEMENTATION OF THE COVID-19 DISASTER AGRICULTURAL SUPPORT FUND

2.1 The mode of implementation for the CDASF will be through direct sourcing from the suppliers list approved by the Department.

2.2 The following institutions, amongst others, shall be utilised to mobilise Applicants and households to apply for assistance:

- 2.2.1 Provincial Departments of Agriculture
- 2.2.2 Community Based Organisations
- 2.2.3 Organised Agriculture formations
- 2.2.4 Commodity Organisations
- 2.2.5 Extension Officers
- 2.2.6 Secondary Co-Operatives
- 2.2.7 Ward Councillors
- 2.2.8 Community Development Workers
- 2.2.9 Traditional leaders
- 2.2.10 Faith Based Organisations

2.3 In order to ensure that acquired production inputs reach rural households, employees of Farmer Production Support Units (FPSUs) shall be required to assist with transportation of the inputs where successful Applicants do not have transport. The FPSUs are to utilise equipment such as bakkies, trucks, tractors and trailers that the Department has procured for them in executing this task. Where necessary, the Department will assist with fuel or fuel costs to ensure effective implementation of this task subject to compliance with the departmental policy on transport.

2.4 Where possible and necessary, NARYSEC participants and Volunteers from the National Development Agency (NDA) will be mobilised to assist community members and Applicants with the completion of Application Forms. Furthermore, NARYSEC participants will assist in the three Districts identified for piloting the District Development Model with distribution of hygienic products that the Department shall procure. Households in rural areas and peri-urban areas are to be prioritised in the distribution of such hygienic products. The NARYSEC participants must work closely with Traditional Authorities and Ward Councillors to ensure wide distribution of hygienic products.

3. GOVERNANCE STRUCTURES

3.1 Since the funds to be utilised in the COVID-19 Disaster Agricultural Support Fund are funds within the DALRRD's vote and not equitable share or conditional grants in terms of the Division of Revenue Act (DORA), accountability for the funds shall remain within the DALRRD. In order to ensure proper accountability, transparency and segregation of duties, the following structures shall be constituted to process applications for production inputs:

3.1.1 District COVID-19 Disaster Agricultural Applications Committee (DCDAAC)

3.1.1.1 Role: To receive, screen and recommend applications for approval.

3.1.1.2 Membership:

- District Director: Chairperson
- District Director from the Provincial Department of Agriculture (Deputy Chairperson)
- Deputy Director from the Provincial Department of Agriculture
- Deputy Director: LDS and Land Acquisition
- Assistant Director: REID
- Deputy Director: Land Tenure Reform (Secretariat)

3.1.2 Provincial COVID-19 Disaster Agricultural Approval Committee (PCDAAC)

3.1.2.1 Role: To approve or disapprove applications from the DCDAAC

3.1.2.2 Membership:

- CD: PSSC (Chairperson)
- Chief Director from the provincial Department of Agriculture (Deputy Chairperson)
- Director: Land Development Support
- Director: Finance
- Director: Provincial Department of Agriculture and Rural Development
- District Director (Presenter and not member)
- Director: Rural Enterprise and Industrial Development
- Director: Monitoring and Evaluation (Secretariat)

3.1.3 National COVID-19 Disaster Agricultural Co-ordinating Committee (NCDACC)

3.1.3.1 Role: To concur with or reject approvals from the PCDAAC.

3.1.3.2 Membership:

- DDG: LR & TR (Chairperson)
- DDG: Agricultural Production, Health, Food Safety and Disaster Management (Deputy Chairperson)
- DDG: Food Security and Agrarian Reform
- DDG: Rural Development
- CFO
- CD: Recapitalisation and Development (Secretariat)
- CD: Rural Enterprise and Industrial Development (Secretariat)
- CD: Comprehensive Agricultural Support Programme (Secretariat)

3.2 Quorum for all the above-mentioned committees shall be 50%+1.

4. OVERARCHING PROCESS FLOW

4.1 The overarching process flow shall be as follows:

ACTIVITY	RESPONSIBILITY	TIMEFRAME
Applicant needs identification, completion and submission of applications at Municipal, District, Provincial and National Offices	Provincial Departments of Agriculture / Community Based Organisations / Commodity Organisations / Extension Officers / Secondary Co-Operatives / Ward Councillors / Community Development Workers / Traditional leaders / Faith Based Organisations.	2 Weeks (Starting from 08 April 2020 up to 22 April 2020)
Receipt, Screening and Recommendation of Applications for approval to the Provincial COVID-19 Disaster Agricultural Approval Committee	District COVID-19 Disaster Agricultural Applications Committee	Within 5 days of receipt of application
Approval of request for production inputs support	Provincial COVID-19 Disaster Agricultural Approvals Committee	Within 5 days of receipt from the District COVID-19 Disaster Agricultural Applications Committee
Concurrence with approval of applications	National COVID-19 Disaster Agricultural Co-ordinating Committee	Within 5 days of receipt of requests (approvals) from the Provincial COVID-19 Disaster Agricultural Approvals Committee
Notify national PLAS Finance Office and PSSC of the concurrence	Secretariat of National COVID-19 Disaster Agricultural Co-ordinating Committee	Within 1 day of concurrence from the National COVID-19 Disaster Agricultural Co-ordinating Committee
Implement the approval	PSSC (CD, D: LDS & REID and District Director)	From the date of receipt of notification of concurrence from the Secretariat of the National COVID-19 Disaster Agricultural Co-ordinating Committee
Monitoring of Implementation	PSSC (Directors LDS, REID and District)	From date of Concurrence until the produce is removed from the land.
Submission of Close-out Reports to the DG and Minister	CD: PSSC and DDG: LR&TR	Within 2 weeks of removal of produce from the land

- 4.2 Heads of Departments of Agriculture in provinces will be requested to provide oversight on all provincial activities and serve as overall leaders of this intervention for purposes of communication with the public in provinces.
- 4.3 The Chairperson of the National COVID-19 Disaster Agricultural Co-ordinating Committee (NCDACC) shall submit a report of applications concurred to by the NCDACC to the Minister through the Director General within five (5) days of the sitting of the NCDACC.

5. FINANCIAL AND SUPPLY CHAIN MANAGEMENT PROCESS FLOW

- 5.1 In light of the urgency of implementing the COVID-19 Disaster Agricultural Support Fund there is a need to guide the Supply Management Process. Accordingly, the following detailed step-by-step procedure is to be followed:
 - 5.2 General Procedural Matters
 - 5.2.1 The approval letter/voucher from the PCDAAC will also be utilized as an order. The approval letter must include the following:
 - 5.2.1.1 Details of the Applicant (Name, ID. Number, address and location of farming operation, household, etc)
 - 5.2.1.2 Register number starting with the first 3 letters of the relevant province;
 - 5.2.1.3 Name of the Supplier to be utilized;
 - 5.2.1.4 Approved amount.
 - 5.2.2 The Applicant is to receive a decision letter from the PCDAAC.
 - 5.2.3 If the Applicant is successful, an approval letter listing the items approved for procurement will be sent to the Applicant.
 - 5.2.4 A list of Suppliers that will be utilised by Applicants per province shall be forwarded to Finance (with contact details such as telephone number, physical, postal and email address);
 - 5.2.5 A list of items approved to be procured by Applicants must be provided to Finance for purposes of receipt verification before payment is done;
 - 5.2.6 Specimen signatures for Approval Committee must be forwarded to Finance;
 - 5.2.7 A checklist will be developed by PLAS (National Office) in line with this Circular to ensure standardisation.

5.3 Finance Process flow

5.3.1 Step 1: Registration of approved suppliers on the system

5.3.1.1 Finance contacts the Suppliers to get banking details to be loaded on the system and confirms the list of items to be procured by Applicants. Vendor Maintenance form to be completed and signed and submitted to National PLAS Finance.

5.3.2 Step 2 : Application and Adjudication Process

5.3.2.1 Applications forms received must be recorded in the application register by the district office.

5.3.2.2 The District Office must check compliance of all applications received in line with the approved Circular.

5.3.2.3 The District Office will recommend approvals and submit both the application register, recommendation report as well as the applications to the Deputy Director: LDS in the PSSC.

5.3.2.4 The Deputy Director LDS, DD REID and DD Finance in the PSSC will check the Application register against all applications received and once all agree, sign off and submit to the approval committee for adjudication.

5.3.2.5 The provincial approval committee will adjudicate and record all approvals made by the committee.

5.3.2.6 The approval committee secretariat will capture all approvals on the electronic system and a system generated approval letter/voucher with a sequential reference number will be issued.

5.3.2.7 The CD: PSSC shall submit the applications register together with approvals and rejections to the National COVID-19 Disaster Agricultural Coordinating Committee through the CD: RADP for concurrence.

5.3.2.8 The Secretariat of the National COVID-19 Disaster Agricultural Coordinating Committee will submit the application register together with all approvals and rejections to the National PLAS finance office who will process the documents upon receipt of the outcome of the National COVID-19 Disaster Agricultural Coordinating Committee.

5.3.2.9 The Secretariat of the National COVID-19 Disaster Agricultural Coordinating Committee shall communicate the outcomes of the National COVID-19 Disaster Agricultural Coordinating Committee to the PCDAAC.

5.3.2.10 Provincial finance and National PLAS finance office will maintain a commitment register for all approvals.

5.3.2.11 The National PLAS budget unit should check the total commitment received against the budget and submit the budget report to provinces.

5.3.3 Step 3 : Procurement by the Applicant

5.3.3.1 The approved Applicant will use the approval letter/voucher as an order to procure the required items; the approval letter/voucher must be marked “processed” by the supplier and be retained by the supplier, who will use it as an attachment for invoicing to the department.

5.3.3.2 The approved Applicant signs for receipt of goods.

5.3.4 Step 4 : Preparation of payment parcel

5.3.4.1 The supplier shall generate an invoice using the reference number appearing on the approval letter, which letter together with the goods receipt note shall be submitted to the provincial office, as proof for payment to be made.

5.3.4.2 The Director Land Development Support or REID in the PSSC must receive the invoice and attachments as referred to in 5.3.4.1 above and ensure that all documents are compliant. The said Director shall stamp the invoice confirming that goods have been received.

5.3.4.3 The Director Land Development Support or REID at PSSC will compile a payment parcel and COVID-19 checklist and sign off the documents as the compiler and submit it to Deputy Director Finance in the PSSC.

5.3.4.4 The Deputy Director Finance: PSSC must validate the approval letter/voucher attached against:

- ✓ the application registers
- ✓ specimen signature of the chairperson of the approval committee
- ✓ supplier invoice received
- ✓ goods receipt note
- ✓ invoice (amount to be in line with approval)
- ✓ reconciliation of the voucher number that is recorded in the commitment register against the payment parcel.

5.3.4.5 The Deputy Director: Finance: PSSC, once satisfied must sign off on the COVID-19 payment checklist and the sundry payment as the verifier and submit the payment parcel to CD: PSSC for approval.

5.3.4.6 The CD: PSSC approves the payment parcel and submits to the DD: Finance: PSSC, who will submit the payment to the National PLAS Finance.

5.3.5 Step 5 : Sundry Payment

5.3.5.1 The National PLAS Finance (DD: Payments) receives payment and verifies the approved letter/voucher against:

- ✓ the applications registers
- ✓ specimen signature of the chairperson of the approval committee
- ✓ supplier invoice received
- ✓ goods receipt note
- ✓ invoice (amount to be in line with approval)
- ✓ proof of delivery document where shipping was done by the supplier

5.3.5.2 DD: Payments is to submit to DD: Financial Reporting a payment parcel once it is found to be compliant for reconciliation of the commitment register against the invoice received.

5.3.5.3 National PLAS Reporting section prepares the reconciliation of invoice received against the commitment register per corporation / Supplier to ensure that overpayment is avoided. (Invoice Vs Commitment).

5.3.5.4 DD: Payments verifies banking details and processes the payment.

6. CONCLUSION

6.1 In order to ensure effective implementation of the COVID-19 Disaster Agricultural Support Fund, there will be a need for Departmental Offices at District, Provincial and National level to have officials who can receive Applications from the public. Relevant Managers of these offices must ensure that there are officials to receive the Applications. However, the Managers need to also ensure that necessary personal protective equipment is made available to officials who will be receiving the Applications. Furthermore, necessary precautionary measures and procedures must be implemented to avoid possible spread of the COVID-19 virus and exposure of officials to the risk of infection.

6.2 Officials who have been listed in paragraphs 3 and 5 of this Circular, where necessary, shall be issued with permits that identify them as part of Essential Services in order to facilitate their movement to and from Offices. This will also include NARYSEC participants as well as employees of the Farmer Production Support Units (FPSUs) who might be required to assist in the facilitation of applications as well as transportation of production inputs from Suppliers to Applicants. PSSC Heads will be given the necessary delegations to issue such permits.

- 6.3 All officials are urged to always act with integrity and within the confines of the law. In this regard, the processes outlined in this Circular and in the implementation protocols must be strictly observed. Anyone found to be in violation of these prescripts will face the necessary legal processes. Kindly ensure speedy implementation of this Circular so that vulnerable Applicants and households can be assisted swiftly in line with the provisions of the Disaster Management Act, 57 of 2002.
- 6.4 Lastly, this Circular will be amended from time to time as a need might arise.



MR P.M. SHABANE
ACTING DIRECTOR-GENERAL
DATE: 07 April 2020



MR M. MLENGANA
ACTING DIRECTOR-GENERAL
DATE: 07 April 2020