Report of the Portfolio Committee on Rural Development and Land Reform on Budget Vote 39: Rural Development and Land Reform, dated 03 May 2018

The Portfolio Committee on Rural Development and Land Reform, having considered the Strategic Plans (2015 – 2020), the 2018/19 Annual Performance Plans, and allocation of budget for the Department of Rural Development and Land Reform, the Commission on Restitution of Land Rights, the Office of the Valuer-General, and the Ingonyama Trust Board, reports as follows:

1. Background and 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), the Office of the Valuer-General (OVG) and the Ingonyama Trust Board (ITB). Briefings on, and analysis of, strategic plans, annual performance plans and estimates of expenditure formed an integral part of the afore-mentioned processes aimed at enforcing accountability of the Executive. The plans and resource allocation were assessed against key policy priorities drawn from the 2018 State of the Nation Address (SONA), the National Development Plan (NDP), Medium-Term Strategic Framework (MTSF), the Estimates of National Expenditures (ENE) from the National Treasury, and the 2018 Budget Speech by the Minister of Finance. The Committee also drew on its past Budget Vote Report and Budget Review Recommendations Reports (BRRR) in order to aide assessment of implementation progress and policy direction. The Auditor-General's assessment of the plans, as presented on 18 April 2018 provided insights on compliance with relevant prescripts. The briefing sessions with the ITB and the Commission were held on 18 April May 2018 whereas the OVG and the Department appeared before the Committee on 20 April 2018. The Committee further deliberations on the operational plans of the four on 25 April 2018. The final report was adopted on 03 May 2018.

The principal concern of this report is whether the key priorities of the Department were clearly enunciated, supporting programmes were put in place and sufficient resources were allocated to give effect to the Constitutional imperatives to redress skewed land ownership patterns in Section 25 of the Constitution which addresses three rights, that is right to equitable land access, tenure that is legally secure or comparable redress and right to restitution. Given this focus, this report proceeds as follows: It presents an overview of the strategic context and review the 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, in terms of the Strategic Plan 2015-2020 herein after referred to as the Strategic Plan, 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 of the Republic of South Africa, which is about sustainable development and use of natural resources, redress of racially-based property relations, and access to sufficient food and water. Against this backdrop, the vision of the Department is to ensure attainment vibrant, equitable and sustainable rural communities. Its mission is to initiate, facilitate, coordinate, catalyse and implement an integrated rural development program. The vision and mission of the Department are underpinned by agrarian transformation which is understood to mean 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 2018/19 financial year.

The Strategic Plan proposes concrete plans and interventions to address marginalisation and deprivation of the poor, especially those living in the rural areas. Such marginalisation and deprivation result 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. Government has committed itself to radical socio-economic transformation which entails a fundamental shift in the existing order of the agrarian relations; the patterns of ownership, power and production in favour of the poor and marginal groups. The Minister of Rural Development and Land Reform (the Minister) reaffirmed this policy position. However, recognises the complexity and suggests that such policy directive that aims to achieve radical agrarian transformation ought to be implemented in a manner that does not harm the economy, and undermine agricultural production and food security.

The Department, through a strategy referred to as the agrarian transformation system which comprehensively integrates land reform and rural development, intends to achieve the transformation of rural economy to meet basic human needs; support rural enterprise development; development of agro-village industries, sustained by credit facilities and value-chain markets; and improved land tenure. The approach is aligned with Chapter 6 of the NDP which puts emphasis on development of integrated rural areas where residents will be economically active, have food security, access to basic services, health-care and quality education. The crux of the relevant NDP intervention is the potential to create 300 000 jobs in different levels of farming. All these have been incorporated into the 2014-2019 MTSF of government which sets out the priorities as outlined in Table 1 below. The Committee welcomed the alignment of programmes of the Department to the MTSF priorities and the relevant SONA pronouncements. For example, 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) will make more land available and inclusive agricultural industry.

Table 1: Alignment of the DRDLR Strategic objective with NDP and MTSF

NDP & MSTF Priorities	MTSF Activities	Strategic Objectives
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.		Improved spatial planning. Improve land administration for integrated and sustainable use of land for development.
Sustainable land reform	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).	Promote equitable land redistribution and agricultural development. Promote sustainable rural livelihoods. Restoration of land rights.
Improved food security	Reduce the percentage of households who are vulnerable to hunger from 11.4 per cent in 2013 to less than 9.5 per cent in 2020.	Provide comprehensive farm development support. Promote sustainable rural livelihoods.
Smallholder farmer development and support for agrarian transformation	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	Provide comprehensive farm development support.

	hectares).	
Increased access to quality basic infrastructure and services, particularly in education, healthcare and public transport in rural areas.		Facilitate infrastructure development to support economic transformation by 2020 Improved access to services.
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.	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. Reduce rural unemployment from the current 49 per cent to less than 40 per cent.	Provide support to rural enterprises and development of rural industries. Job creation and skills development in rural areas.

The 2018 SONA places job creation for youth, amongst other priorities, high in the National Agenda. It also reaffirmed government's undertaking to set aside at least 30 per cent of public procurement to small, medium and micro enterprises (SMMEs), cooperatives, and townships and rural enterprises. The Department finds itself at the centre of these undertakings in so far as advancing the agenda in South Africa's rural areas. With regard to land reform, the SONA reaffirmed government's resolve to accelerate land redistribution, not only to redress historical injustice but also to widen access to land in order bring in more producers into the agricultural sector as stated above. It pronounced on government's intention to pursue land expropriation without compensation with a proviso that expropriation would be executed as one of the policy instruments to acquire land and implemented in a manner that increases agricultural production, improves food security and ensures that the land is returned to those from whom it was taken under colonialism and Apartheid. Realisation of this bold policy decision require collaboration of stakeholders, especially financial institutions, and government to mobilise resources to accelerate the redistribution of land which is of an utmost importance, if South Africa was to see the much needed investment in the agricultural sector.

Table 2 below illustrates the extent to which the Department's planning has taken into consideration the wider context and government-wide policy priorities set out in the SONA as introduced above.

Table 2: Strategic outcome oriented goals

Strategic Goal	Strategic Goal Statement
- 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 2015-2020

Whilst Table 2 above illustrates the strategic goals; Table 3 below illustrates strategic objectives according to the five main programmes of the Department. The Committee noted that the strategic objectives of the Department largely remained unchanged since the tabling of the Strategic Plan (2015-2020). Appraisal of the priorities and strategic objectives, illustrated in Tables 1 and 3 demonstrates the extent of alignment of the programmes of the Department, the NDP and ultimately MTSF priorities. Section 3.1 of this report will demonstrate how each programme contributes to the priorities set out in Table 3 above.

Table 3: Strategic objectives of the Department of Rural Development and Land Reform

Programme	Strategic Objective
1. Administration	– Compliance with all public sector legal prescripts – Unqualified regularity audit opinion – Skills development for improved service delivery
2. National Geomatics Management Services	– Improved spatial planning – Integrated and comprehensive land administration system
3. Rural development	– Job creation and skills development in rural areas – Quality infrastructure provided – Functional and institutional arrangements – Facilitate the establishment of rural enterprises and industries
4. Restitution	– Land Rights restored – Redress land rights lost after 1913
5. Land Reform	– Strategically located land acquired – Support to rural communities to produce their own food – Farm development support provided to smallholder farmers

Source: DRDLR (2015) Strategic Plan 2015-2020

As discussed above, the medium-term budget of the Department focusses on rural socio-economic transformation through the Agri-parks, including implementation of the One Household-One Hectare as well as the One Household-Two Dairy Cows Programmes; acceleration of land redistribution to smallholder farmers; fast-track the settlement of claims; enhancing security of tenure for people living and working on farms, including accelerated delivery of the Strengthening of the Relative Rights Programme (50/50 Programme); and increasing job opportunities; and improving inefficiencies in land administration. The Committee noted that despite the pronouncement of the government's intention to pursue reforms that would make expropriation of land without compensation possible, neither the Department's 2018 Estimates of National Expenditure (ENE) nor the APP make reference to this major policy shift since the tabling of the strategic plan in 2015. The Committee noted with concern that both the Department has not included policy initiatives around clarification of 'just and equitable' compensation in their policy and legislative programme in line with this development, except for the OVG's plans to develop processes, procedures and guidelines around valuation. The Committee was of the view that expropriation of land without compensation would significantly impact on the structure of the Department and the manner in which it operated. This development is thus an important policy context not to ignore.

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

Since the 1997 White Paper on Land Policy, the Department has not published any overarching framework policy that ties all aspects of its work together, yet its mandate has expanded exponentially. The 2011 Green Paper on Land Reform and subsequent extensive public consultations have not resulted in the White Paper on Land Policy. Its outcome was many loosely connected policies and legislative amendments. The Committee noted that failure to produce a White Paper on Land Policy, coupled with inability of the Department to adhere to its own legislative programme, especially tabling of legislation in Parliament, symbolised capacity challenges confronting the Department. The Committee expressed profound concerns over lack of finalization of policy documents. For example, the Policy on Exceptions to the 1913 cut-off date, which is long overdue has disappeared from policy priorities. Similarly, the policy on access to Historical Land Marks and Heritage Sites as pronounced by the President during the SONA of 2012 is not included in the list of policies. The Committee expressed concern that the Department has moved on to other policies and there is no clarity around these policies. The focus of the Department has shifted to the following: (i) Policy framework: Review of the Deeds Registries Act of 1937 and geomatics functions; (ii) An operations policy to institute agricultural land ceilings; (iii) Policy contributions towards a land value tax; and (iv) An operations policy for evidence based policy research and development for rural development and land reform

With regard to legislative programme, the Committee observed that the track record of the Department was not satisfactory. During 2017/18, the Department tabled the CPA Amendment Bill and Electronic Deeds Registration Systems Bill. Therefore, only 2 of the 8 pieces of legislation were tabled in Parliament. For the 2018/19 financial year, the Department has carried over all pieces of legislation that could not be finalised in 2017/18 and these are as follows:

- *Regulation of Agricultural Land Holding Bill, 2018*: This Bill seeks to provide for disclosure by agricultural 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. At the time of the briefing session, the Bill was yet to be finalized for processing to Parliament.
- *Communal Land Bill, 2018*: The Bill provides 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; communities' choice of rights for members in respect of residential and business properties; land rights enquiries; establishment of the Communal Land Board; and amendment and repeal of certain laws. At the time of the briefing, the Bill was approved by Cabinet and published for public comments.
- *Deeds Registries Amendment Bill, 2018.* The Bill seeks to effect technical amendments to the Deeds Registries Act to improve on some of the technical implementation challenges. At the time of the briefing, the Bill was with the Office of the Chief State Law Advisor for certification opinion after which it will be processed to Parliament.
- *Sectional Titles Amendment Bill, 2018:* The Bill seeks to effect technical amendments. At the time of the briefing, the Bill was with the Office of the Chief State Law Advisor for certification opinion after which it will be processed to Parliament.
- *Planning Profession Amendment Bill, 2018*. The Bill seeks to provide for the transformation of the planning profession; review of categories for registration of planners; transforming and realignment of planning education; development of accreditation criteria for the accreditation of planning programs/schools; identification of areas of work for planners; promote the maintenance of a high standard of professional conduct and integrity and development of competencies and standards for curriculum development. At the time of the briefing, the Bill was not yet published for public comment.
- *Land Survey Amendment Bill, 2018*. The Bill seeks to address technical challenges that are experienced in the administration of the Act. The Bill was yet to be published for comment.
- *Rural Development Bill, 2018:* The Bill seeks to develop a legislative framework to better coordinate rural development initiatives that will also include a dedicated rural development coordination entity in the form of a Rural Development Agency (RDA); and it will concretise the department's mandate

that seeks to coordinate and catalyse rural development to ensure sustainable rural livelihoods, decent work and continued social and economic advancement of all South Africans.

Whilst the Committee welcomed the list of pieces of legislation to be processed during 2018/19 but was concerned about lack of timeframes. Further, most of the pieces of legislation were carried over from 2017/18.

3. Overview of the 2018/19 budget allocations and the MTEF estimates

Table 4: Programme appropriations from 2017/18 to 2020/21

Programme	Budget (R ,000)				Rand Change		% Change	
					Nominal	Real	Nominal	Real
	2017/18	2018/19	2019/20	2020/21	2017/18-18/19		2017/18-18/19	
Admin	1735.8	1 825.40	1 869.20	1 992.90	89.6	-5.6	5.16	-0.32
NGMS[1]	661.3	690.4	744.6	790.6	29.1	-6.9	4.40	-1.04
Rural Development	1907.5	1 814.50	1 924.50	2 035.50	-93	-187.6	-4.88	-9.83
Restitution	3239.5	3 371.00	3 603.60	3 810.70	131.5	-44.2	4.06	-1.37
LRD[2]	2640.2	2 723.90	2 907.90	3 076.10	83.7	-58.3	3.17	-2.21
TOTAL	**10 184.30**	**10 425.20**	**11 049.80**	**11 705.80**	**240.9**	**-302.6**	**2.37**	**-2.97**

Source: Adapted from National Treasury (2018), Vote 39: Rural Development and Land Reform

Table 4 above shows that the total budget appropriated to the Department has increased from R10.184 billion in 2017/18 to R10.425 billion in 2018/19. This budget has nominally increased by 2.4 per cent. However, in real terms (inflation adjusted) it decreased by 2.97 per cent. The decrease can be attributed to the Cabinet approval of R725 million MTEF budget reductions for the Department which affected all programmes of the Department. However, a slight budget recovery would be seen by 2021 when the budget would nominally increase by 4.8% to R11.705 billion. In real terms, however, the budget would decrease by an average rate of 0.6per cent. Given the public outcry for land, the Committee expressed concern about the fact that the budget for land reform does not change in real terms as illustrated in Figure 1 below. It thus called for National Treasury to consider prioritising land reform in order to give effect to the transformational provisions of Sections 25(5), (6) and (7) of the Constitution.

Figure 1: Department Appropriation from 2017/18-2020/21: Nominal vs Inflation

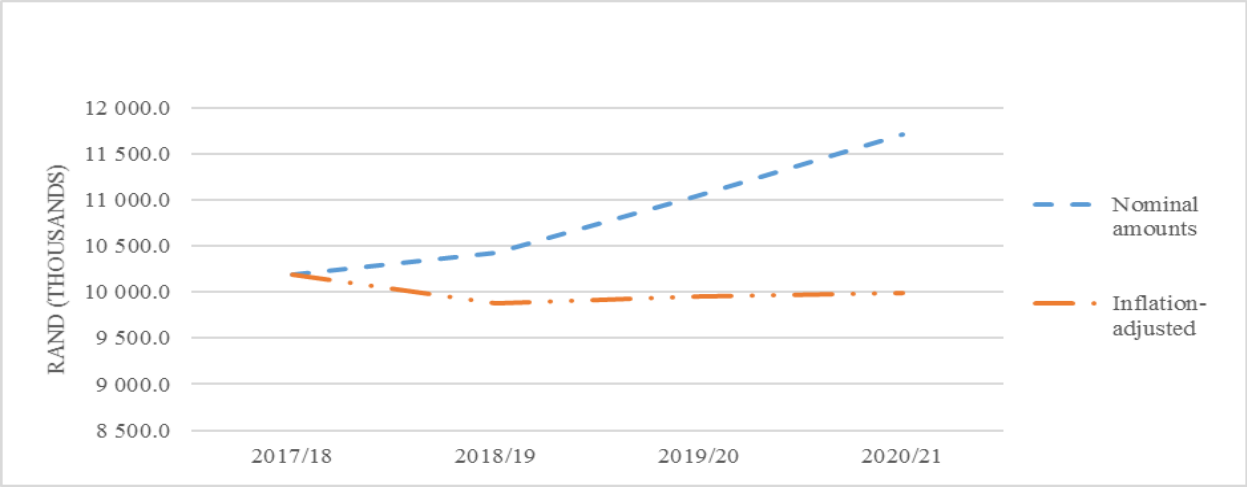


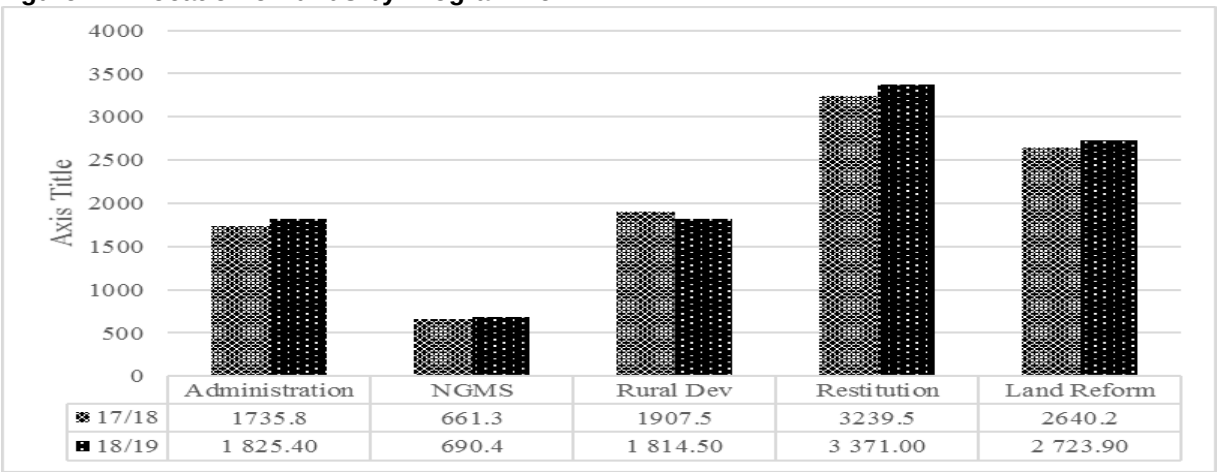
Table 4 has shown that all programmes of the Department have been affected by the budget cuts. It is however the budget cut for rural development, nominal budget decrease of 4.88 per cent, that is most notable. It decreased from R1.9 billion to R1.8 billion. Regardless of increases over the medium terms, when inflationary adjustments are factored in, this programme is the worst affected. Whilst the Committee expressed concern about this, it also emphasized a need for a deeper analysis of what rural development entails to ensure that the Department neither duplicates work of other Departments nor takes over mandates of other Departments. For example, construction of houses and paving of roads, and agricultural support in the Agri-Parks.

Given the pressure to finalise all pre-1998 land claims, reprioritisation of funds to land restitution and land reform which respectively account for 32.34 per cent and 26.13 per cent of the total budget of the Department was welcomed. These are the programmes that directly give effect to Section 25 (5), (6) and (7) of the Constitution. The Committee, however, noted that the increase under this programme was as a result of reprioritisation of funds within the Department rather than additional allocation from the National Treasury as the Minister of Finance's response to the previous BRRR of the Committee shows.
The Committee, as an extension of the National Assembly's oversight function, has been persistently tracking the funds appropriated by Parliament. In 2018/19, the item on transfers and subsidies accounts for 60.8 per cent (or R6.339 billion) of the total budget of the Department. Within this item, the biggest share of the budget is for Households, which accounts for 75.2 per cent (or R4.769 billion). Given a plethora of projects in Agri-Parks (One Household-One Hectare, One Households-Two Dairy Cows), National Rural Youth Service Corps (NARYSEC), Rural Enterprise and Industrial Development (REID) and Rural Infrastructure Development (RID) initiatives, R3.331 billion of that fund is set aside for restitution and land reform. However, the Committee noted with concern that the budget for acquisition of land (in terms of Section 25(5) is less than that of RID. Further, the budget to support Land Tenure and Administration (LTA), where farm evictions and CPA support is located, is significantly lower than the allocation for NARYSEC and REID. The Committee further noted that under Goods and Services, budget for consultants account for 26.7 per cent. Although high consultancy fees continue to be a concern, the Committee welcomed it has decreased from R601.3 million in 2017/18 to R461.1 million in 2018/19.

3.1 Overview of programme allocation and performance plans

The Department is carried out under the five programmes, including the Commission on Restitution of Land Rights implemented as programme 4 of the Department. The five Programmes; namely, 1. Administration, 2. National Geomatics Management Services, 3. Rural Development, 4. Restitution (the Commission), and 5. Land Redistribution and Development.

Figure 2: Allocation of funds by Programme



	Administration	NGMS	Rural Dev	Restitution	Land Reform
17/18	1735.8	661.3	1907.5	3239.5	2640.2
18/19	1 825.40	690.4	1 814.50	3 371.00	2 723.90

3.1.1 Administration

Administration programme encompasses provision of leadership, management and support services to the entire Department. Table 5 below illustrates that the total appropriation for Administration Programme increased by 5.2 per cent from R1.735 billion in 2017/18 to R1.825 billion in 2018/19. Over the medium term period, the budget is expected to increase by an average annual growth rate of 4.7 per cent in nominal terms.

Table 5: Appropriations for Administration (2017/18 - 2018/19)

Sub-Programme R million	**Budget**		**Increase/Decrease**		**Per cent Change**	
	2017/18	**2018/19**	**Nominal**	**Real**	**Nominal**	**Real**
Ministry	42.7	40.7	- 2.0	- 4.1	-4.68 %	-9.65 %
Management	171.2	192.9	21.7	11.6	12.68 %	6.80 %
Internal Audit	39.3	41.0	1.7	- 0.4	4.33 %	-1.11 %
Corporate Services	412.5	446.7	34.2	10.9	8.29 %	2.65 %
Financial Services	186.4	196.2	9.8	- 0.4	5.26 %	-0.23 %
Provincial Coordination	351.6	376.5	24.9	5.3	7.08 %	1.50 %
Office Accommodation	532.0	531.4	- 0.6	- 28.3	-0.11 %	-5.32 %
TOTAL	**1 735.7**	**1 825.4**	**89.7**	**- 5.5**	**5.2 %**	**-0.31 %**

Source: Adapted from National Treasury (2018): Vote 39: Rural Development and Land Reform

The Committee welcomed the budget allocation for administration together with its MTEF targets for the strategic objectives. However, the Committee also expressed concerns over leadership of the Department. For example, seven of the 12 top management position including the Director-General position, were vacant for a very long time. This has translated in failures of key branches to perform optimally. For example, section responsible for policy and legislation development have over the past five years failed to meet their own targets on legislative programme. The Department has been unable to conclude the 2011 Green Paper of Land Reform processes and produce a revised White Paper on Land Policy. Further, nine years since the establishment of the Department, Policy Document on Rural Development has not been finalised, and the Rural Development Agency was yet to be established. The Auditor-General reported that there has been lack of progress in implementation of audit action plans as reported by the Auditor-General and weakness in management controls.

The Committee expressed disquiet over the 13.22 vacancy rate in 2018/19. The disquiet arises from the fact that the vacancy rate exceeded the acceptable 10 per cent vacancy rate in public service. Further, the Committee noted that the number of employees under administration has been reduced from 1 772 in 2017/18 to 1 521 in 2018/19. Despite this reduction, Administration accounts for 33.8 per cent of the total allocation for Compensation of Employees in the Department in 2018/19, which is R785.5 million. The next highest allocation goes to NGMS which accounts for 22.2 per cent (R516.4). Given the demands for land and settlement support, there is a need for reimagining programmes and support mechanisms in restitution and land reform. The Committee noted and welcomed the investigations being conducted by the Department in order to rid the Department of the growing perceptions of corruption and maladministration. Key amongst these was the reported Special Investigation Unit (SIU) investigations which the Committee had requested the Department to ensure that the matters were finalised without delay.

3.1.2 National Geomatics Management Services (NGMS)

The NGMS caters for the provision of geospatial information, cadastral surveys, deeds registration, spatial planning information and other technical services in support of sustainable land development. Its objective is to facilitate integrated spatial planning and land use management across South Africa through relevant legislation by 2020. Ultimately, the programme aims at ensuring that South Africa has an integrated and comprehensive land use administration system. Among the key projects, the programme seeks to ensure that there are 44 District Rural Development Plans.

The budget of this programme nominally increased by 4.4 per cent; from an adjusted appropriation of R661.3 million in 2017/18 to R690.4 million in 2018/19. In real terms, it decreased by 1.04 per cent. Over the medium-term, the budget is expected to increase at an average growth rate of 6.1 per cent in nominal terms.

Table 6: Appropriations National Geomatics Management Services (2017/18 to 2018/19)

Sub-programme	Budget (R,000)		Increase/Decrease		Per cent Change	
	2017/18	2018/19	Nominal	Real	Nominal	Real
National Geomatics Management Services	494.4	512.5	18.1	- 8.6	3.66 %	-1.74 %
Spatial Planning and Land Use Management	159.4	170.3	10.9	2.0	6.84 %	1.27 %
Registration of Deeds Trading Account	0.0	0.0	0.0	0.0	0.00 %	0.00 %
South African Council for Planners	3.5	3.7	0.2	0.0	5.71 %	0.20 %
South African Geomatics Council	4.0	3.9	- 0.1	- 0.3	-2.50 %	-7.58 %
TOTAL	**661.3**	**690.4**	**29.1**	**- 6.9**	**4.4 %**	**-1.04 %**

Source: Adapted from National Treasury (2018) Vote 39: Rural Development and Land Reform

The Committee welcomed increase in the allocation for Spatial Planning and Land Use Management (SPLUM) which is central to development planning, especially in the 44 priority districts. In terms of the APP, the Committee noted that the Department will facilitate Rural Development Plans in Eastern Cape, Free State, KwaZulu-Natal, Limpopo, Mpumalanga and Northern Cape. The provinces of North-West, Gauteng and Western Cape were not listed for these plans in this year. However, implementation is expected to start in 2021. A number of issues were raised as a matter of concern by the Committee. Firstly, the mooted transfer of administration of SPLUMA from the Department to the Department of Planning, Monitoring and Evaluation (DPME) has taken too long to be implemented. Secondly, it expressed concerns over what appears to be lack of coordination among government departments - based on the Comprehensive Rural Development Programme (CRDP) experience - which might negatively impact on the development planning; splitting implementation among the Department, Cooperative Government and Traditional Affairs (COGTA) and the DPME has a potential to slow down development planning through the bureaucratic requirements that might be put in place. This in turn would require coordinated Parliamentary oversight.

The Committee's oversight visit reports point to a growing trend of CPA leaders who engage in fraudulent activities such as illegal sale of communal property, including farms. Yet the Deeds Office does not seem to pick up irregularities when there is fraudulent sale of communal property which was bought through government funding. The Department lacks a strategy to prevent the illegal sale and transfer of communally-owned farms, especially where individuals defraud communities. As a result, farms that have been sold fraudulently have been transferred and registered in the Deeds office without government knowing. The Committee stressed a need for mechanism, in the Deeds office, to trigger a verification process which would require compliance with relevant legislation such as the CPA Act.

3.1.3 Rural Development

Rural development programme is expected to contribute towards rural economic transformation, the growth of rural economies and the creation of job opportunities in rural areas, especially among rural youth through Agri-Parks and National Rural Youth Service Corps (NARYSEC). The strategic objectives make it clear that it focusses on livelihoods support, rural enterprise and industries development and support, as well as job creation. The Committee noted that the key focus of this programme needs to be reviewed in order to clarify the niche area of focus for this Department. The concern of the Committee stems from the fact that DAFF has a mandate and capacity to execute agricultural development and farmer support, whereas Department of Trade and Industry, Department of Economic Development and

the Department of Small Business Development are the most relevant departments in relation to enterprise and industries development. Increasingly, the Department is implementing projects that it lacks capacity to effectively manage. For example, farmer support under its Recapitalisation and Development Programme (better known as Recap) and recently the post-settlement support.

Table 7: Appropriations for Rural Development (2016/17 to 2017/18)

	Budget (R,000)		Increase/Decrease		Per cent Change	
Sub-programme	**2017/18**	**2018/19**	**Nominal**	**Real**	**Nominal**	**Real**
Rural Infrastructure Development	917.2	928.2	11.0	- 37.4	1.20%	-4.08 %
Rural Enterprise and Industrial Development	554.6	508.3	- 46.3	- 72.8	-8.35 %	-13.13 %
National Rural Youth Service Corps	435.7	378.0	- 57.7	- 77.4	-13.24 %	-17.77 %
TOTAL	**1 907.5**	**1 814.5**	**- 93.0**	**- 187.6**	**-4.9 %**	**-9.83 %**

Source: Adapted from National Treasury (2018), Vote 39: Rural Development and Land Reform

Table 7 above shows that the budget allocation for this programme decreased nominally by 4.9% from an adjusted allocation of R1.907 billion in 2017/18 to R1.814 billion in 2018/19. However, in real terms, the budget decreased by 9.8 per cent. Both REID and NARYSEC appear to have had a serious allocation cut. The following points can be made about rural development: NARYSEC allocation will be in decline over the MTEF, from R 435.7 million to R402.8 million; Between 2017/18 and 2018/19, REID has also taken a budget decrease from R554 million to R508.3 million. In real terms, this represents a 13.30% decrease; and RID is the only sub-programme of the three in Rural Development Programme which has a budget increase and it accounts for R51.2% of the total budget.
From the Committee's perspective, this budget shows declining significance of NARYSEC despite the SONA's emphasis on youth employment. The Committee therefore called for a review of NARYSEC in order to assess if there was any value for money in the skills-training programme under the NARYSEC programme. Further, it emphasised a need to assess the value of qualifications or certificates offered through the NARYSEC programme.

3.1.4 Land Reform and Development

In the 2018 Budget Speech, the Minister of Finance acknowledged that accelerated land reform has become urgent. He announced that R4.2 billion has been set aside for the acquisition of about 291 000 hectares of strategically located land over the medium term. Table 8 below shows that the budget allocation to the Land Reform Programme has increased from R2.640 billion in 2017/18 to R2.723 billion in 2018/19, which represents an increase of 3.2 per cent in nominal terms while translating into a decrease of 2.21 per cent in real terms. However, it is expected to increase by a nominal average growth rate of 5.2 per cent over the medium term period, which translates into an insignificant decrease of 0.2 per cent in real terms. The budget allocations to the Land Tenure and Administration (LTA) and Agricultural Land Holding Account (ALHA) Sub-programmes have decreased in nominal terms by 3.2 per cent and 1.7 per cent, respectively, in 2018/19 compared to 2017/18.

Table 8: Appropriations for Land Reform and Development (2017/18 to 2018/19)

	Budget (R,000)		Increase/Decrease		Per cent Change	
Sub-programme	**2017/18**	**2018/19**	**Nominal**	**Real**	**Nominal**	**Real**
Land Redistribution and Development	261.7	273.1	11.4	- 2.8	4.36 %	-1.08 %
Land Tenure and Administration	407.6	394.6	- 13.0	- 33.6	-3.19 %	-8.24 %
Land Reform Grants	538.1	568.3	30.2	0.6	5.61 %	0.11 %
KwaZulu-Natal Ingonyama Trust	19.7	20.3	0.6	- 0.5	3.05 %	-2.33 %

Board						
Agricultural Land Holding Account	1 348.4	1 326.5	- 21.9	- 91.1	-1.62 %	-6.75 %
Office of the Valuer General	64.8	141.1	76.3	68.9	117.75 %	106.40 %
TOTAL	**2 640.3**	**2 723.9**	**83.6**	**- 58.4**	**3.2 %**	**-2.21 %**

Source: Adapted from National Treasury (2018), Vote 39: Rural Development and Land Reform

The Committee welcomed reprioritisation of R911 million for the implementation of the Extension of Security of Tenure Amendment Bill, when it becomes enacted. R569 millions of that amount is expected to be used to acquire land for farm dwellers and labour tenants. The remaining funds are earmarked for upgrading of tenure and protection of informal land rights on communal land. It urged the LTA to include tenure as one of their key priorities. The budget allocation for the ALHA has decreased by 1.6 per cent in nominal terms or 6.75 per cent in real terms in 2018/19 compared to 2017/18. It means that there are fewer funds for the acquisition of land in 2018/19 which is likely to negatively impact attempts at radical agrarian transformation which begins with giving land and equipment. To be precise, it will acquire 81 000 hectares of strategically located land in 2018/19; which is 15 165 hectares less than what it acquired in 2017/18. The 2018/19 targets have been revised downward by 9 000 hectares compared to what was planned in the 2017/18 APP. The Committee was concerned about the diminishing budget but increasing mandate of the Department. As a result, it requested the Department to continuously work with, and persuade, National Treasury regarding funds for land acquisition.

4. Relevant entities

4.1 Commission on Restitution of Land Rights (Programme 5 of the Department)

4.1.1 Overview

The Commission on Restitution of Land Rights (Commission) was established in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994). Its powers are to provide restoration of land rights and equitable redress in line with the provisions of section 25(7) of the Constitution of the Republic of South Africa of 1996. Since 2012/13, the Commission has been meeting all APP targets and spending 100 per cent of the allocated budget. By 30 June 2017, 6 558 claims were still outstanding, of which 1 820 were on Phase 2 (screening phase), 115 on Phase 3 (determination and qualification) and 4 623 on Phase 4 (negotiation). About 2 152 of 6 558 outstanding claims would be finalised in 24 months (i.e. June 2019). In terms of the Operation Phakisa, the Commission was meant to conduct and finalise all outstanding research of claims lodged prior to 31 December 1998 (i.e. 916 land claims) by the end of the 1st quarter of 2017/18. However, the target could not be met due to fiscal constraints, complexities associated with verification and validation of claims, court challenges and internal capacity. Due to the Restitution of Land Rights Amendment Act of 2014, over 100 000 land claims were lodged. The Commission has not started processing these claims due to an interdict and nullification of the law by the Constitutional Court. The focus, therefore, should be to finalise the pre-1998 land claims. However, the Committee noted with concern the unreliability of the data from the Commission around outstanding research claim. In 2017, the Commission confirmed that there were 916 yet to be researched. Its third quarter report shows that the Commission research 970 land claims, which is 54 claims more than the total number of outstanding claims that required research.

4.1.2 Budget allocation and targets on strategic objectives

In the 2018 budget speech, the Minister of Finance announced that government would accelerate settlement of restitution of claims over the Medium Term Expenditure Framework (MTEF) period. About 10.8 billion has been set aside for the assignment. In line with this pronouncement, the Commission plans to finalise 2 851 claims, settle 3 369 claims and approved 335 projects over the medium term at the cost of R10.8 billion.

The allocation to the Restitution Program constitutes 32.3 per cent of the Department's total allocation of R33.2 billion over MTEF period. The Committee noted that increase in the allocation was below the R30 billion required to finalise all pre-1998 land claims as per Operation Phakisa plans. Further, the Committee was of the view that if land reform is national priority, therefore its allocation should be increased significantly to address landlessness and provide justice for the dispossession of land rights for the majority of South Africans.

Table 9 below shows that allocation restitution increased from an adjusted appropriation of R3.24 billion in 2017/18 to R3.42 billion in 2018/19. It is expected to increase by average growth rate of 5.6 per cent over medium-term expenditure period. The Committee welcomed the projected increase in Restitution Grants Sub-programme which it supported in many BRRR. Unfortunately, these are not additional funds but reprioritised funds within the Department. Nonetheless, it welcomed the projected increase in the number of outstanding claims to be settled, from 724 in 2017/18 up to 995 in 2020/21, which is 2 851 of outstanding claims. However, the total number of outstanding claim by June 2017 was 6 558. There is also a critical matter of the backlog claims as well as the outstanding payment of Restitution Discretionary Grants. Given that the Recap policy has been stopped, it thus means that all the grants must be paid to restitution beneficiaries, yet the Commission has not quantified how much of the grant funding it owes beneficiaries as individuals or collectively as CPAs or Trusts.

Table 9: Appropriations from 2017/18 to 2020/21

Programme	Budget (R ,000)				Rand change		% change	
					Nominal	Real	Nominal	Real
	2017/18	2018/19	2019/20	2020/21	2017/18-2018/19		2017/18-2018/19	
Restitution National	153.2	147.0	182.9	195.5	- 6.2	- 13.9	-4.05 %	-9.05 %
Restitution Regional	477.5	461.1	501.0	534.9	- 16.4	- 40.4	-3.43 %	-8.47 %
Restitution Grants	2608.8	2 762.9	2 919.7	3 080.3	154.1	10.1	5.91 %	0.39 %
TOTAL	**3 239.5**	**3 371.0**	**3 603.6**	**3 810.7**	**131.5**	**- 44.2**	**4.06 %**	**-1.37 %**

Source: Adapted from National Treasury (2018), Vote 39: Rural Development and Land Reform

The Committee noted that there has not been progress in the conversion of the Commission to be an autonomous body or the suggested Chapter 9 Institution. Further, the plans of the Commission do not include this policy directive that was taken a few years ago and is in line with the Restitution of Land Rights Act. The Committee also noted that the absence of post-settlement support, especially by the sector departments such as DAFF and DHS has resulted in the Commission operating outside its mandate, for example providing post-settlement support to CPAs.

4.2 Office of the Valuer-General

4.2.1 Overview

Since its establishment, the OVG, as an autonomous entity, tabled its first Strategic Plan and Annual Performance Plan. The Office of the Valuer-General (OVG) was set up in terms of the Property Valuation Act, No.17 of 2014. The OVG is responsible for: the valuation of properties identified for land reform purposes, as well as where a department has made a request for a valuation service to be rendered for purposes of acquiring or disposing of property; and developing criteria and procedures for the valuation of property that has been identified for land reform purposes and monitoring the proper, efficient and effective valuation of such properties based on set criteria and procedures. The intension was that the OVG would contribute to the government's commitment to address the slow pace of redistribution of land

which has partly been associated with the escalating market-based land prices that government pays when acquiring land. These hefty prices are being paid in spite of the constitutional provision for 'just and equitable' compensation. Given the policy decision to abandon the Willing Buyer, Willing Seller approach and implement a 'just and equitable' compensation, the OVG ought to play a central role in determining property values.

4.2.2 Strategic objectives and targets for the OVG

The strategic focus of the OVG can be categorised into three main areas; namely, support land reform (including restitution); develop criteria, procedures and guidelines; and organisational stability.

- ***Support land reform*** by conducting all land valuation requests from the DRDLR and the Commission within the agreed timeframes. Over the MTEF period, it would execute 3550 restitution-related land valuations and 1268 valuations will be executed in 2018. With land reform, it will conduct 153 valuations. Therefore, a total of 1421 valuations will be conducted
- ***Develop valuation criteria, procedures and guidelines to standardise valuation practice for land reform.*** The OVG plans to complete the criteria, procedure and guidelines to standardise valuation practice for land reform. However, in 2018, the guidelines and procedures will only be approved by the Minister.
- ***Organisational stability:*** Given that the OVG is a relatively new 'entity', a sub-programme under land reform, organisational stability and clarity in strategy is vitally important. However, the Committee expressed concerns regarding the adherence to the SMART principle in crafting the KPI's and targets. For example; the OVG targets to ensure that revenue from the non-land reform valuations amounts to 5% of annual fixed operating costs. The OVG targets 0.25% for 2018/19 but there are no quarterly targets with which Parliament could hold the VG accountable. Similarly, 50 per cent of professional vacancies must be filled, and there are no quarterly targets for monitoring.

4.2.3 Medium-term Estimates of Expenditure for the OVG

In 2018/19, the OVG has received a transfer of R141.1 million from the DRDLR. The transfer is a significant increase of 117.75 per cent in nominal terms or 106.4 per cent in real terms when compared to the allocation of R64.8 million in 2017/18. It is also expected to increase over the medium term by a nominal average growth rate of 31.5 per cent.

Table 10: Medium-term Estimates of Expenditure per economic classification

Goals	Economic Classification	Estimates of Expenditure			
		2018/19	2019/20	2020/21	Total
Support land reform	CoE	35365	37840	40489	113694
	Goods & services	35186	33210	33261	101657
Develop criteria, procedures and guidelines	CoE	3536	3784	4049	11369
	Goods & services	3519	3321	3326	10166
Organisational stability	CoE	31828	34056	36440	102324
	Goods & services	31666	29889	29935	91490
TOTAL		**141100**	**142100**	**147500**	**430700**

NB. CoE: Compensation of Employees

Over the MTEF, the allocation for the OVG increases to R430,7 million to executive land reform valuations with clear criteria, procedures and guidelines. Central to the efficiency of the OVG will be organisational stability which entails recruitment of highly skilled property valuers as well as support personnel. The highest allocation of the sub-programme's budget is towards supporting Land reform through valuations, which is R70.5 million (50 per cent of the total allocation) followed by an allocation to ensure organisational sustainability, amounting to R63.5 million (45 per cent).

4.3 Ingonyama Trust Board

The Ingonyama Trust Board (ITB) is a schedule 3A Public Entity and reports to the Minister of Rural Development and Land Reform. The Ingonyama Trust was established in terms of the KwaZulu-Natal Ingonyama Trust Act No 3 of 1994, amended by the National Act 9 of 1997 which provided for the establishment of the (ITB, hereafter referred as the Board). The Ingonyama Trust functions as a landowner-in-law of the Ingonyama Trust Land (previously owned by the KwaZulu Government). The land is owned communally and administer by Amakhosi. To date, such land was estimated to be 2,8 million hectares under some 1 600 individual titles in all of the 11 Districts of Kwazulu-Natal and eThekwini Metro. The main objective of the Board is to administer Ingonyama Trust Land for the benefit of traditional authorities and communities residing thereon, who are at least four million.

The Board revised its 2015 -2020 Strategic Plan in alignment with Outcome 7 of the Medium Term Strategy Framework (MTSF) and other related outcomes of the National Development Plan (NDP). The aim of Outcome 7 is to build vibrant, equitable and sustainable rural communities with food security for all. It is also aligned to Outcome 8 and 12 of the NDP. In line with these government priorities, the ITB's main objective is to administer the Trust land for the material benefit and social wellbeing of the communities living on Trust land. The Board contributes to two of the main goals of the Department, namely, effective planning and administration that is biased towards rural areas, and increased access to and productive use of land, especially in the context of food security. It contributes to the following priorities of Outcome 7: Improved land administration and spatial planning for integrated development I rural areas; Sustainable land reform (agrarian transformation); Improved food security; 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.

4.3.1 Overview

The Secretariat is the administrative component through which ITB discharges its mandate. The organogram of the Secretariat has been substantial reviewed to enable the Board to respond efficiently to the needs of the community. This led to increase in the number programmes and sub-programmes. As compared to the two programmes in 2017/18, the ITB has reorganised its structure into four programmes as shown in Table 11.

Table 11: Programmes and Sub-programmes of the Secretariat

Programme	Purpose	Sub-programmes
Office of the CEO	To ensure that the strategic mandate of the ITB is administered in accordance with the objectives of the Trust	Governance and Compliance Organisational Performance & Development Board Secretariat Legal Support
Corporate Services	To provide corporate support services to ensure effective and efficient organisational process	Information & Communication Technology Human Capital Management Administration and Facilities Communications
Financial Management Services	To manage the finances and supply chain processes to ensure financial viability, compliance and reporting.	Financial Management and Accounting Supply Chain Management
Land and Tenure Management Services	To provide land management, land tenure, sustainable land, identify community and economic development opportunities as well provide customer care and stakeholder support services.	Land & Tenure Customer Care Projects Management Stakeholder Support Sustainable Land Management

The Committee welcomed and commended the ITB for putting in place a programme on Financial Management Services. For the first time, the ITB has put resolving audit outcome by Auditor General (AG) as a target. Further, it plans to achieve a clean audit by 2021/22. The Committee also noted that Land and Tenure Management Programme was broader programme than Real Estate which did not reflect the actual work undertaken within the Programme.

4.3.2 Medium-term Estimates of Expenditure: Ingonyama Trust

The total budget of the Board is made up of the so-called own income and transfer of payments it receives from the Department. Its revenue income is earned from leases and investment. In terms of the Board's disbursement policy, 90 per cent of the income earned through trading activities is for the material benefit of deserving communities. The internal administrative costs of the Board are met through a transfer payment from the Department. The ITB reported that Government does not incur any expenditure for activities of the Trust and that the Department only pay for 51 per cent of the administrative cost of the Board. All the activities of the Trust are funded by income self-generated by the Trust. The Committee noted that separate budgets for ITB and Ingonyama Trust have been tabled since 2015/16, as these are separate entities. However, the Committee observed that there are different interpretations of law which must be resolved, especially between the Minister of Rural Development and Land Reform, the Auditor-General of South Africa and the Ingonyama Trust Board.

Table 1: Expenditure Estimates for Ingonyama Trust over the MTEF

Programme	Budget				Rand change		% change	
					Nominal	Real	Nominal	Real
	2017/18	2018/19	2019/20	2020/21	2017/18-2018/19		2017/18-2018/19	
Administration	30,591,488	45,414,420	46,292,714	32,618,688	14,822,932	12,455,356	48.5 %	40.7 %
LTM	68,769,302	122,586,788	161,317,456	124,527,494	124,527,494	121,976,903	181.1 %	177.4 %
Total	**99,360,790**	**168,001,208**	**207,610,170**	**157,146,182**	**68,640,418**	**59,882,062**	**69.1 %**	**60.3 %**
Transfers to ITB	18,905,057	19,987,171	21,065,660	22,224,166	1,082,114	40,128	5.7%	0.2 %
Total Expenditure	118,265,847	187,988,379	228,675,829	179,370,348	69,722,532	59,922,190	58.9%	50.7 %

LTMS: Land Tenure Management Services

The total expenditure for the Ingonyama Trust in 2018/19 is R188 million of which R20 million is transfers and R168 million is from self-generating income. The expenditure in 2018/19 has increased from R118.3 million in 2017/18 to R188 million in 2018/19, which represents an increase of 58.5 per cent in nominal terms or 50.7 per cent in real terms. The expenditure for administration has increased by 48.5 per cent in nominal terms in 2018/19 compared to 2017/18. Land and Tenure Management Service and it has significantly in 2018/19 compared to 2017/18. This is expected since it is a priority programme. However, the Committee expressed concern that allocation for rates provision makes up highest budget allocation for the Programme at 56.3 per cent. Further, it of great concern that expenditure for disbursement funds has decreased by 23.9 per cent in 2018/19 compared to 2017/18. However, it will increase significantly in 2020/21 to R95 million.

4.3.3 Medium-term Estimates of Expenditure: Ingonyama Trust Board

The ITB is to administer the affairs of the Trust and Trust Land for the material benefit of communities living on Trust land. The total budget allocation for the ITB for 2018/19 amounts to R40.4 million, which represents a nominal increase of 4.39 per cent while it is a decrease of 1.05 per cent in real terms compared to 2017/18. The total budget allocation of R40.4 million includes transfer of R20.87 million (51.6 per cent) from the Department and R19.56 million from the Ingonyama Trust. This implies that the current transfer payment only caters for 51.6 per cent of the Board's operational/administrative expenditure, and the shortfall is coved by the income from the Trust.

Table 2: Expenditure Estimates for ITB over the MTEF

	Budget				**Rand change**		**% change**	
					Nominal	**Real**	**Nominal**	**Real**
Programme	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2017/18-2018/19**		**2017/18-2018/19**	
Board	2.7	3.2	3.4	3.6	0.5	0.3	18.52 %	12.34 %
Office of the CEO	1.7	1.8	1.9	2.0	0.1	0.0	5.88 %	0.36 %
Corporate Services and Finance	8.5	8.5	9.0	9.5	0.0	- 0.4	0.00 %	-5.21 %
CoE	25.8	26.9	28.4	29.9	1.1	- 0.3	4.26%	-1.17 %
TOTAL	**38.7**	**40.4**	42.7	45.0	**1.7**	**- 0.4**	**4.39 %**	**-1.05 %**

5. Summary of key conclusions drawn from the deliberations on the Strategic Plan, the Annual Performance Plan of the Department and the entities

Having deliberated the findings and observations on budget allocations and APPs of the Department and entities, the Committee drew the following conclusions:

5.1 Department of Rural Development and Land Reform

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 acceleration of the settlement of land claims as well as redistribution of land.
- The continuous real terms decline of budget could potentially affect service delivery amid growing calls for acceleration of the redistribution of land through expropriation of land without compensation. The R725 million MTEF decrease in budget, as approved by Cabinet, will affect the Department negatively.
- There is a decrease in the number of employees for the Department broadly. This decrease has a potential to affect service delivery. Further, due to high staff turnover, over 58% of all top management positions (7/12) of the Department were occupied on an acting basis which could affect decision-making on key service delivery issues. Such could further be compounded by the vacancy rate of 13.22% (3% higher than the acceptable 10% vacancy rate).
- Budget of Compensation of Employees (CoE) is, to a greater extent spent on programme 1 and 2, that is administration (33.8%) and NGMS (22.2%) respectively.
- There is still no overarching policy framework that creates linkages among various policies that have been created over the last five years. Lack of a White Paper on Land Policy and Rural Development can be regarded as the greatest weakness of the Department.
- Further, the continued lack of provisional timeframes for submission of planned policies, albeit on a piece-meal basis, and legislation to Parliament was a major weakness in the legislative programme of the Department which creates a challenge for Parliamentary oversight and holding the Executive accountable.

National Geomatics Management Services

- The delays in finalisation of the transfer of the administration of SPLUMA to the Presidency could affect the effectiveness of planning at municipal level. Further, without clear delineation of responsibilities, government is likely to encounter poor planning which will result in lack of growth and development planning functions among the Presidency, Department and COGTA might have unintended consequences when there is lack of coordination among departments, as the experience of CRDP has shown.
- Increase in the sale of CPA properties and registration or transfers of CPA farms to private individuals while the Deeds Registries fail to pick up that the farms were bought government funding for communities was a cause for concern because, if not stopped, it risks reversing the gains that the programme of land reform, including restitution, has made over the last two decades.
- The innovative E-cadastre project is long overdue, and the proposed legislation could result in efficient service delivery in the deeds lodgement and registration system. The sale and transfer of registration could be blocked for verification through detection by this new electric system of lodgement and registration.
- The land audit report that has been tabled recently is welcome but it did not provide the full picture about who owns what land in South Africa. The continued protection of identities of those who own land through the trusts and companies makes it difficult to find out who owns what land in South Africa. This information is vitally important if the South Africa was to address the skewed patterns of land ownership.

Rural Development

- The real terms budget decrease of 9.8 % has affected NARYSEC programme which aims to provide skills to rural youth. Therefore, fewer youth are going to receive training from the Department and so are those in line for skills development and job opportunities.
- Agri-parks, if properly conceptualised and implemented, has a potential to transform the rural economy tremendously. The weakness of coordination in the Department, as seen with CRDP pilots, is likely to affect the effectiveness of the programme, especially as it relates to the role played by Department of Trade and Industry, Department of Small Business Development and the Department of Agriculture, Forestry and Fisheries.
- Projects linked to revitalisation of agriculture and agro-processing should be best implemented by those with expertise in this area of work, mainly the DAFF and DTI. Agri-Parks risks duplication of work done by other Departments.
- Lack of clear and publicly available policies on some of the new sub-programmes or projects has been a concern of the Committee over the years. Example of such projects is ‘One Household One Hectare’ and ‘One Household Two Dairy Cows’ which has seen reprioritisation of funds to deal implement these projects and such founds could be rechannelled to land redistribution.

Land Reform

- Silence of the Department’s APP on expropriation of land without compensation as one of the mechanisms to fast track redistribution of land could be an indication of lack of policy clarity within the Department about expropriation, hence there has not been any test case on just and equitable compensation before the Courts.
- Expenditure of land reform as a percentage share of the total expenditure of programmes of the Department has been in decline in the last few years. This year’s slight nominal increase of 3.2% is a step in the right direction which could enhance the pace of redistribution of land. However, the decrease in the budget allocation for ALHA, which has resulted in few hectares to be acquired in 2018/19 compared to 2017/18 might undermine the strategic objective to fast track land reform towards radical socio-economic transformation
- Having been calling for proper budget for tenure reform on farms, the Committee concludes that real terms budget reduction of 8.2% in land tenure and administration sub-programme is likely to negatively impact the implementation of ESTA, LTA and CPA as well as IPILRA. This means that evictions on farms, poor support to CPAs, and lack protection of informal land rights on communal land (including the Ingonyama Trust land) will receive less attention.

- The extent to which transfer of the implementation of the ‘recap policy’ to the DAFF could result in more efficient farmer support is yet to be seen. Failure to ensure take up of support services by DAFF is likely to harm agricultural development by emerging farmers.
- The creation of new indicator of the number of farms supported through post-settlement while a decision was made that post-settlement is not the mandate of the Department and should be transferred to DAFF as in the case of Recap fails to resolve the question of duplication of mandates by DAFF and the Department.
- Weak legal services support in terms of the Land Rights Management Facility, if not capacitated, will not assist in the fundamental transformation of property relations in South Africa.
- Slow progress in the release of state and public land for land redistribution has contributed to the slow pace of land reform. Such land is available, in most cases, for immediate occupation by landless communities and individuals.

5.2 Commission on Restitution of Land Rights (Restitution)

- Failure to finalise the transition of the Commission to being an autonomous entity reporting directly to the Minister meant that the Commission continued to operate as programme 4 of the Department and is inconsistent with the legislative intentions under the Restitution of Land Rights Act, No. 22 of 1994.
- Given the commitments of about R5.7 billion reported in 2017, 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.
- Failure to conduct an in-depth analysis of claims received has contributed to lack of credible data on number 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.
- The strategy of the Commission to deal with land claims on state land, including all forestry land, military land and other agricultural land, has not been effective. Many community claims on state and public land remains unresolved. If those claims are not attended as a matter of urgency, the could be mass land occupations.
- The impact of Operation Phakisa for agriculture, land reform and rural development places settlement and finalisation of land claims in high priority. Therefore, commission needs to improve research capacity, negotiations and conflict resolution in order to finalise outstanding claims without delay.
- The increase of budget by 4 per cent in 2018/19 compared to 2017/18, which will over the medium-term increase by an annual average growth rate of 5.6 per cent, is a modest increase which might not make any considerable impact in acceleration of the settlement of land claims and finalisation of backlog claims. Note that the Commission would need at least R30 billion to settle all outstanding claimants, yet it has been allocated R10.8 billion over the MTEF period.
- Discrepancies in the number of researched claims raises questions of credibility of the statistics generated by the Commission. For example, 2017/18 all 916 claims lodged by 1998 should have researched in the 1st quarter and the target was extended to the end of 3rd quarter. The report shows that the Commission completed research for 970 claims exceeding the total outstanding research by 54 claims.

5.3 The Office of the Valuer-General

- Failure of the OVG to grapple with the current land reform debates, especially its place in the debate about expropriation of land without compensation and review of Section 25 highlights the need for in-depth discussion between the Department and entities on mechanisms to fast track redistribution of land.
- The OVG has not spelt out clearly what its staff complement is and what is the vacancy rate as well as how it planned to fill in the vacancy. Should it fail to provide this information, Parliamentary oversight will be ineffective and the OVG might also not implement these plans because there would be no urgency due to lack of timeframes.

- Reported saving of the fiscus by regulating the valuations is a welcome development. It thus means that there is a need for further clarity on how the OVG determine the property value, and whether the values for compensation are “just and equitable” in line with the Section 25(3) of the Constitution.
- The under-achievement by the Commission to meet the target on the number of phased projects processed in the 3rd quarter has been attributed to late appointment of valuers. If the OVG does not attend to capacity constraints without delay, the office could become one of the factors that slows down the pace of settlement of land claims.

5.4 The Ingonyama Trust Board

- The APP of the ITB appeared to have been rushed through for tabling which could be the reason for discrepancies across the programmes. For example, the Corporate Services Programme has replaced the Administration in the new organogram, yet it still appeared as Administration in section on budget and targets.
- Lack of performance indicators and targets relating identification of community and development projects, customer care and stakeholder support services, which are part of the main aims of the programme is a cause of concern and could create an impression that the ITB does not exist for the material benefit of the deserving communities on the ITB land.
- There has been the delay in finalising engagements between ITB, Auditor-General, the Department and National Treasury about the qualified audit opinion as well as engagements regarding royalty revenue with the Department of Mineral Resources. If not addressed, these issue would continue to result in negative audit opinion.
- High staff turnover, suspensions of officials and prolonged disciplinary processes within the ITB could result in very negative morale among the employees of the ITB, thus affecting service delivery to communities in return. This would particularly be the case under the organisation whose organogram has expanded significantly.
- The increase in the number of policies to be developed and reviewed against what has been planned for and achieved in the past does not raise any confidence in the capacity of the ITB to deliver.
- There were still no plans around previous recommendations to the ITB to conduct the livelihoods impact of its programmes.

6. RECOMMENDATIONS

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

Policy

- Ensure that the Department starts a wide consultation process on national land and agrarian reform policy whose outcome be a revised White Paper on Land Policy (a framework policy document). The policy document must ensure policy coherence and clarity coherence and guide the State in the implementation of land reform (including governance and administration).
- Conduct socio-economic impact assessment, including enterprise analyses, of various land reform farms in the post-settlement support by government departments to assess the viability of production, livelihood impacts and how the enterprises have benefitted the beneficiaries. Special focus should be on all the projects under the Recapitalisation and Development Programme, the farms under the SRRR or so-called ‘50/50’, and the Agri-Parks.

Administration

- Ensure that the Director-General and all Deputy Director-General vacant positions are filled by the end of the first quarter of 2018/19.
- Finalise all disciplinary matters in the Department within 30 days. Further submit a report, within 30 days after the finalisation of the disciplinary matters, that outlines the outcome of each matter. In the event that some matters could not be concluded as recommended here, a time-bound plan on concluding all investigations and disciplinary matters must be submitted to the Committee.
- Submit a revised legislative programme outlining realistic targets for tabling of planned pieces of legislation in the National Assembly.
- Enhance capacity of the policy and legislative drafting section of the Department in order to ensure adherence to the legislative programme of the Department.

National Geomatics Management Services

- Submit to the National Assembly a progress 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.
- Ensure that when CPA-owned land is sold and transferred to another entity, the electronic deeds system must trigger verification mechanisms of processes set out in the CPA Amendment Bill (which is to be signed into law after all the Parliamentary processes are concluded).
- Submit a report about the engagement between government and traditional leaders as well as other government and non-government entities which aimed at resolving impasse around implementation of SPLUMA.
- Draw coordination and implementation plan in conjunction with COGTA and the DPME. Further submit the plan for consideration by the relevant Portfolio Committees, jointly.
- Conduct the next phase of land audit which must unpack the ownership of all land under the ownership of Trusts and Companies. This should be completed by the end of the financial year and thereafter tabled for consideration by the Committee.

Rural Development

- Conducts 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 the implications for future programme implementation.
- Compiles and submit a report on the training programme of the NARYSEC programme and its impact in the empowerment of youth and job creation. In addition to the other critical matters, the report should outline the assessment standards and qualification that each category of graduate receives and the post-training monitoring of graduates in order to assist with job placements.
- Submits approved policies relating to sub-programmes introduced under the programme of rural development; namely, One Household-Two Dairy Cows and the One Household-One Hectare. Further, submit progress report on the two sub-programmes in the 44 rural districts. The report should detail each project, when it was initiated, beneficiaries, funds allocated to each (annually, if repeated funding was allocated), impact of the project on livelihoods of beneficiaries.
- Together with the National Treasury, Department of Agriculture Forestry and Fisheries, and other relevant government departments, review all programmes under rural development, especially those linked to revitalisation of agriculture and agro-processing as well as small business development, in order to minimise duplication of work.

Restitution

- Fast-track reconfiguration of an autonomous Commission as per the Restitution of Land Rights Act, Act 22 of 1994.
- Continuously engage National Treasury about increasing allocation of funding of restitution to clear the commitment register of settled land claims.

- Review and assess the statistics of all the land claims lodged prior to 31st December 1998 in order to produce the final number of outstanding land claim that require research, researched awaiting settlement, settled but not finalised, and finalised. 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 as outlined in Operation Phakisa initiative; and submit an implementation plan for settlement of all outstanding and finalisation of land claims 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 2018.
- Conduct an analysis of the Commitment register to ascertain number of communities or individuals that the Commission owes, age analysis of each commitment, and develop a time bound plan with which these commitments can be cleared.

Land Reform

- Ensure that the Department, working with the OVG, must development a policy position regarding expropriation of land in the public interests, taking into consideration the SONA pronouncement around expropriation of land without compensation in a manner that does not harm the economy and food security. Further explore the modalities with which such policy pronouncement could be implemented.
- Conduct enterprise analysis and socio-economic impact assessment of a representative sample of farming enterprises under the Recapitalisation and Development Programme, Strengthening of Relative Rights Programme (or so-called 50/50 projects) and other post-settlement support initiatives under the Agri-Parks programme. The impact assessment should be geared toward assessing if government funds invested under these programmes were yielding viable and sustainable farming businesses and ultimately having livelihood impacts on members of projects or beneficiaries.
- 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.
- Conclude, without delay, the finalisation of the Integrated Funding Model for post-settlement support which involves the National Treasury and the DAFF.
- Working with the Minister of Justice and Constitutional Development, facilitate discussion between the Department and the Legal Aid Board aiming at strengthening the provision of legal services to the vulnerable landless people, especially the farm dwellers and labour tenants who confront the brutality of illegal evictions from their homes on farms as well as violation of tenure rights for people living on communal land in the former homelands.

The Office of the Valuer-General

- Develop and submit a weighted system or formula for implementation of 'just and equitable compensation' in Section 25 of the Constitution.
- Submit progress report on the key achievements of the OVG, with key policy implications to the existing legislative framework under which the OVG operates.
- Submit a detailed estimates of expenditure for the OVG, with a clarification of the details of goods and services as well as compensation of employees.
- Submit an organogram of the OVG indicating funded posts, both filled and vacant, and positions that are additional to the establishment.

The Ingonyama Trust Board

- On the basis of the legal opinion obtained by the Minister of Rural Development and Land Reform, facilitate discussions between the Auditor-General, the Ingonyama Trust and the ITB, and the Department to develop a common understanding on the nature of the Ingonyama Trust and the

Ingonyama Trust Board (whether the ITB should been seen as an independent entity from the Ingonyama Trust and the auditing complexities).

- Ensure that the Ingonyama Trust Board removes all forms of advertisements calling for residents on the Ingonyama Trust land approach the offices in order to convert their PTOs to leases. This includes all advertisements on the website of the ITB as well as any other form of media.
- Ensure that the ITB consult the residents, and not only the traditional councils, about the conversion of their established land rights into tenants of the Ingonyama Trust, i.e. entering into lease agreements with all the conditionality in the lease agreements. All conversions should be in line with all the land laws of the Country.
- 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 audit. Further, submit quarterly progress report on implementation of the remedial measures set out by the Auditor-General in order to ensure that the ITB is compliant with all the relevant prescripts.
- 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 for 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 submist a report that tables responses and progress report in the implementation of the above recommendations**.**

Report to be considered.