



BRIEFING TO THE PORTFOLIO COMMITTEE ON AGRICULTURE, FORESTRY AND FISHERIES

Financial and Fiscal Commission

13 October 2015

For an Equitable Sharing of National Revenue

PRESENTATION OUTLINE

1. Role and Function of the Financial and Fiscal Commission
2. Agriculture, Forestry and Fisheries in the Context of the Broader Economy
3. Departmental Analysis
4. Entities Reporting to the DAFF
5. Concluding Remarks
6. Annexure: Previous FFC Recommendations Relevant to Agriculture, Forestry and Fisheries



1. ROLE AND FUNCTION OF THE FINANCIAL AND FISCAL COMMISSION

ROLE AND FUNCTION OF THE FFC

- The Financial and Fiscal Commission (FFC)
 - Is an independent, permanent, statutory institution established in terms of Section 220 of Constitution
 - Must function in terms of the FFC Act
 - Mandate of Commission
 - To make recommendations, envisaged in Chapter 13 of the Constitution or in national legislation to Parliament, Provincial Legislatures, and any other organ of state determined by national legislation
 - The Commission's focus is primarily on the equitable division of nationally collected revenue among the three spheres of government and any other financial and fiscal matters
 - Legislative provisions or executive decisions that affect either provincial or local government from a financial and/or fiscal perspective
 - Includes regulations associated with legislation that may amend or extend such legislation
 - Commission must be consulted in terms of the FFC Act
- Current research strategy focuses on developmental impacts of IGFR



2. AGRICULTURE, FORESTRY AND FISHERIES AND THE BROADER ECONOMY

BACKGROUND

- The height of the 2008 economic and financial crisis is past, but its aftermath remains pervasive
 - The outlook for the South African economy remains cautious with South Africa still some way from restoring strong and sustainable economic growth rates per annum required by the National Development Plan (NDP)
- Contribution of the agriculture sector to gross domestic product (GDP) has declined from 7.1% in 1970 to under 3% in 2014
- Agriculture sector's share of total exports increased from 3.6% in 2007 to 5.3% in 2010 and 6.4% in 2014
- Climate change (implications of floods, drought, soil erosion, changes in water supply) growth in population, shifts in global economy are critical factors that shape the agriculture sector

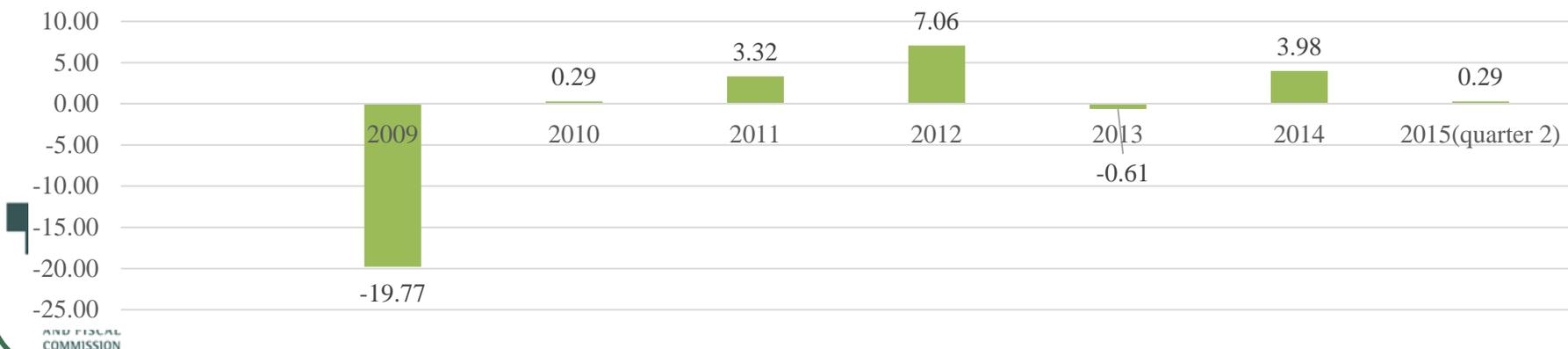
BACKGROUND [CONT.]

- The National Development Plan (NDP) envisages the agriculture sector as one of the key levers for job creation and ensuring food security in South Africa. The NDP identified the following objectives for the sector:
 - Create one million jobs in agriculture, agro processing, and related sectors by 2030
 - Increase investments in new agricultural technologies and research and development
 - Realise a food surplus with 1/3 produced by small-scale farmers or households
 - Create security of tenure for communal farmers, especially women
- The Department of Agriculture, Forestry and Fisheries (DAFF) has aligned its plans over the medium term with the NDP:
 - Spending over the next three years focussed around food security, job creation and increasing the sector's contribution to GDP
 - Food security emphasised by providing support to food producers through inputs such as farm equipment, fencing, fertilisers, seedlings. DAFF will also focus efforts on refurbishing and building irrigation schemes
 - Allocation of R1.5 billion to support smallholder farmers through Fetsa Tlala food security strategy
 - In terms of job creation, Land Care programme set to create 2 400 full time jobs and EPWP (Working for Fisheries) expected to create 1 693 job opportunities
 - Increased emphasis placed on provision of extension services to smallholder farmers and increased financial support to the Land Bank to finance the provision of low interest loans to black emerging farmers

EMPLOYMENT IN THE AGRICULTURAL SECTOR

- Increasing trend of agricultural unemployment experienced from the 1970's onwards, may be turning around:
 - Based on Quarterly Labour Force Survey employment in agriculture sector whilst slowing down relative to 2012 (when growth of 7.06% was recorded) has demonstrated good improvement relative to the poor performance of 2013
 - As at Quarter 2 of 2015, growth (although marginal) in employment recorded

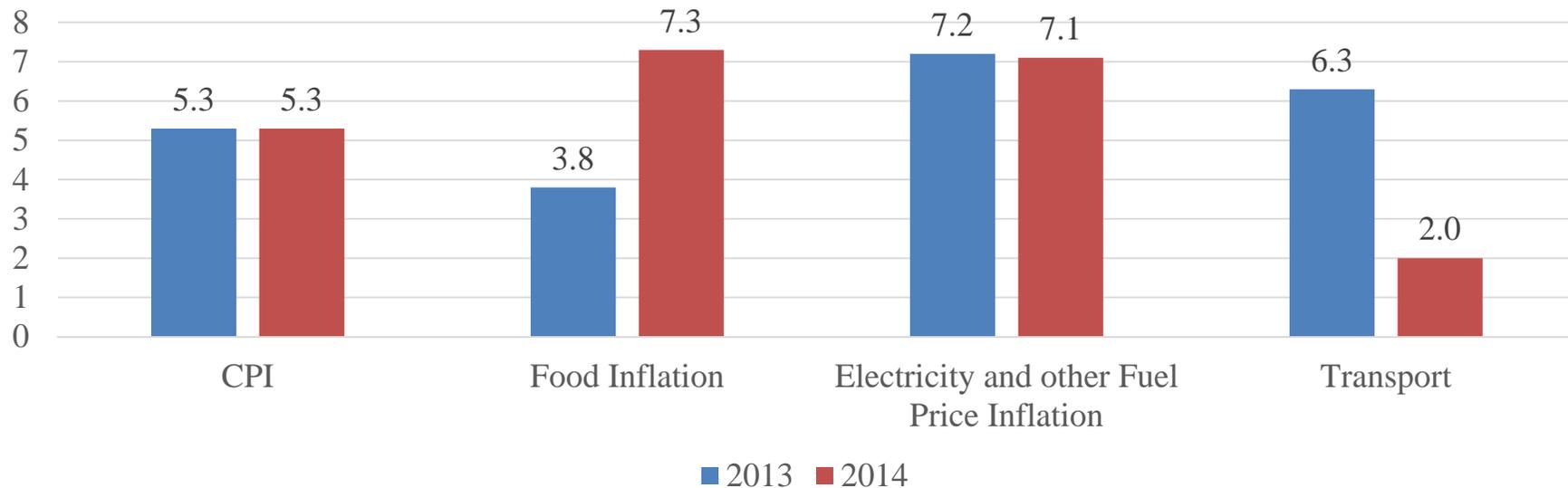
PERCENTAGE CHANGE IN AGRICULTURE SECTOR EMPLOYMENT – 2009 TO 2015



FOOD PRICE INFLATION

- There is increased pressure on expendable income of consumers
 - Food inflation has risen faster than the inflation rate
 - This affects poor households the most as they spend a large share of household income on food compared to other income groups

PERCENTAGE CHANGE IN COMMODITY PRICES, 2013 AND 2014





3. DEPARTMENTAL ANALYSIS

DEPARTMENTAL OVERVIEW

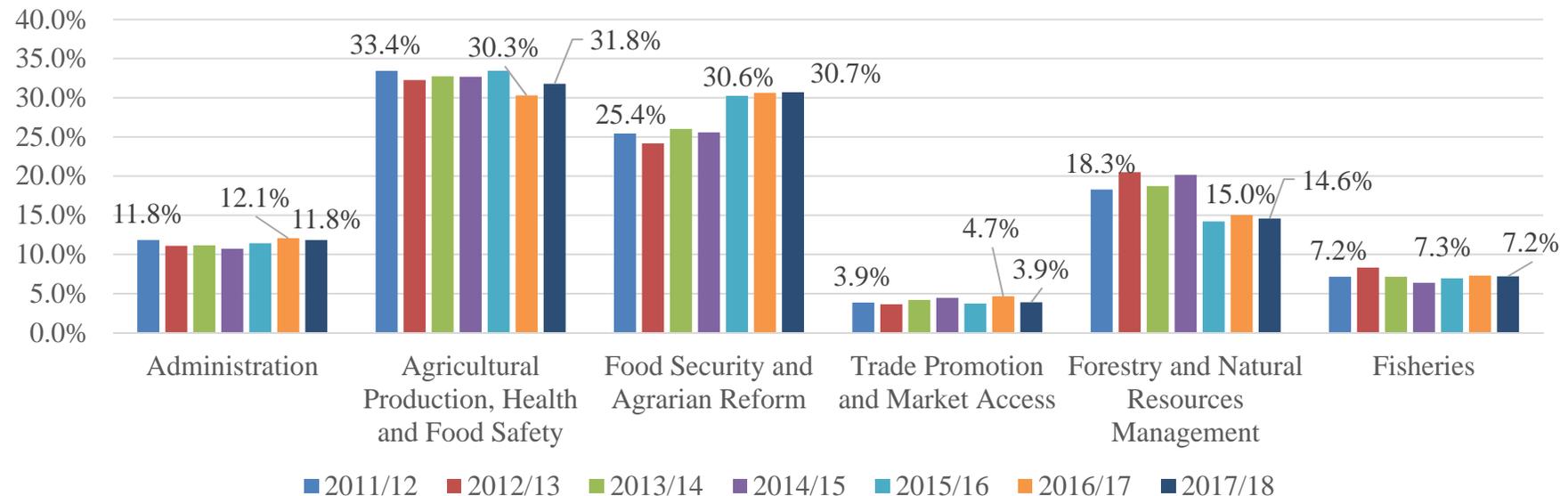
- The department consists of 6 programmes
 - Administration, Agricultural Production Health and Food Safety, Food Security and Agrarian Reform, Trade Promotion and Market Access, Forestry and Natural Resources Management and Fisheries
- Mandate: Address production and consumption in agriculture, forestry and fisheries sectors
- Strategic Goals of the department:
 - Increase production and productivity in the agriculture, forestry and fisheries sectors, enhancing employment and economic growth, food security, sustainable use of natural resources

BUDGET AND PROGRAMMES OF DAFF

- Following a 5.8% real increase in DAFF budget in 2014/15, DAFF will experience real declines in its allocation in both 2015/16 and 2016/17 –result of Cabinet-approved reductions due to underspending. Growth in budget set to recover by end of medium term

| R'million | Audited outcome | | | Adj. Appr. | Medium Term Expenditure Estimates | | |
|---|-----------------|------------------------|------------------------|------------------------|-----------------------------------|------------------------|------------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Administration | 582 | 645 | 682 | 719 | 730 | 765 | 802 |
| Agricultural Production, Health and Food Safety | 1 645 | 1 875 | 2 001 | 2 187 | 2 135 | 1 922 | 2 154 |
| Food Security and Agrarian Reform | 1 252 | 1 405 | 1 590 | 1 712 | 1 930 | 1 943 | 2 082 |
| Trade Promotion and Market Access | 190 | 212 | 256 | 298 | 238 | 296 | 264 |
| Forestry and Natural Resources Management | 900 | 1 192 | 1 145 | 1 349 | 907 | 954 | 987 |
| Fisheries | 352 | 484 | 438 | 428 | 443 | 463 | 489 |
| Total | 4 920 | 5 813 | 6 111 | 6 692 | 6 383 | 6 343 | 6 777 |
| Real Year on Year Growth | | | | | | | |
| | | 2011/12-2012/13 | 2012/13-2013/14 | 2013/14-2014/15 | 2014/15-2015/16 | 2015/16-2016/17 | 2016/17-2017/18 |
| Administration | | 4.5% | 2.2% | 1.9% | -1.6% | 1.8% | 2.0% |
| Agricultural Production, Health and Food Safety | | 7.5% | 3.2% | 5.6% | -5.4% | -12.6% | 9.1% |
| Food Security and Agrarian Reform | | 5.9% | 9.5% | 4.0% | 9.3% | -2.2% | 4.3% |
| Trade Promotion and Market Access | | 5.2% | 16.9% | 12.4% | -22.6% | 20.6% | -13.1% |
| Forestry and Natural Resources Management | | 24.9% | -7.1% | 13.8% | -34.9% | 2.2% | 0.7% |
| Fisheries | | 29.8% | -12.6% | -5.6% | 0.4% | 1.4% | 2.7% |
| Total | | 11.4% | 1.7% | 5.8% | -7.6% | -3.5% | 4.0% |

BUDGET COMPOSITION ACROSS PROGRAMMES



- Agricultural Production, Health and Food Safety Programme consumes the largest share of DAFF's budget
 - Funding for Agricultural Research Council, and the Ilima/Letsema conditional grant fall under this programme
- The Food Security and Agrarian Reform programme consumes the second largest share of the budget – coincides with priorities of NDP and priority attached to food security

ECONOMIC CLASSIFICATION

| R'million | Audited outcome | | | Revised estimate | Medium Term Expenditure Estimates | | |
|--|-----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------|-----------------------------|-----------------------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 |
| Compensation to Employees | 1 321 | 1 419 | 1 525 | 1 698 | 1 738 | 1 837 | 1 959 |
| Goods and Services | 651 | 730 | 746 | 810 | 847 | 837 | 859 |
| Transfers and Subsidies | 2 815 | 3 493 | 3 638 | 4 048 | 3 701 | 3 572 | 3 854 |
| Payments for Capital Assets | 132 | 169 | 200 | 135 | 96 | 95 | 103 |
| | | | | | | | |
| <i>Real Year on Year Growth</i> | | 2011/12- 2012/13 | 2012/13- 2013/14 | 2013/14- 2014/15 | 2014/15- 2015/16 | 2015/16- 2016/17 | 2016/17- 2017/18 |
| Compensation to Employees | | 1.3% | 4.0% | 7.6% | -0.9% | 2.7% | 3.8% |
| Goods and Services | | 5.6% | -1.0% | 4.7% | 1.4% | -4.1% | 0.0% |
| Transfers and Subsidies | | 17.0% | 0.8% | 7.5% | -11.4% | -6.2% | 5.0% |
| Payments for Capital Assets | | 21.1% | 14.3% | -34.7% | -31.2% | -4.2% | 5.2% |

- Transfers and subsidies are significant due to the three conditional grants that DAFF administers to provinces and the six entities that fall under the department
- Cabinet approved reductions with respect to DAFF effected mainly with respect to compensation to employees, goods and services and conditional grants to provinces – corresponds with the marginal growth/declines evident for 2014/15 to 2015/16 and 2015/16 to 2016/17

DEPARTMENTAL SPENDING PERFORMANCE (FISCAL DISCIPLINE)



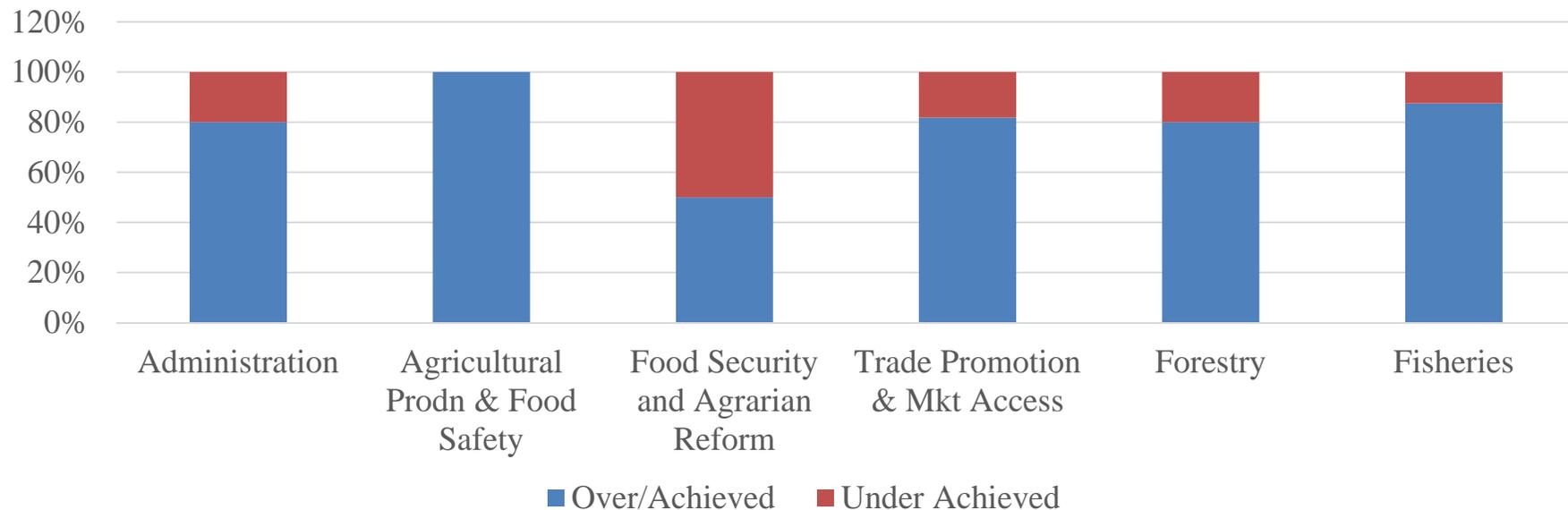
- Underspending in Administration and Food security programmes persistent and amounted to R91 million over the past two years
- Reasons for 2014/15 underspending:
 - **Administration:** Upgrading and maintenance of buildings and laboratories not fully completed



– **Food Security and Agrarian Reform:** Quarter four transfers to Mpumalanga Department of Agriculture (DOA) withheld due to underspending. Mpumalanga DOA provided proof of commitments on funds withheld.

DEPARTMENTAL PERFORMANCE

- Achievement of targets have improved from 75% in 2013/14 to 82% in 2014/15
- Only 50% of targets for Food Security Programme achieved
 - In 2014/15, 65% of total hectares of cultivation for food production in communal areas and land reform projects achieved. Out of the 65%, only 3% was according to the agreed upon standard
- In relation to the level of spending (99% of budget), achievement of targets is low, although this has improved since 2013/14.



ASPECTS HIGHLIGHTED BY THE AUDITOR-GENERAL

- Audit opinion of DAFF:
 - 2014/15: Unqualified with emphasis of matter
 - 2013/14: Unqualified with findings
 - 2012/13: Unqualified with findings
- Matters of emphasis highlighted by the Auditor-General:
 - Internal audit did not assess monitoring mechanisms over all transfers made and received
 - Effective steps were not taken to prevent irregular expenditure. Second successive year this is being emphasized by the A-G
 - The AO did not ensure CASP team had adequate resources to monitor disbursements and support provinces. This matter re-emphasizes the recommendation the Commission made in 2014 that related to the department improving its capacity to monitor conditional grants as required by the DORA frameworks
 - Management did not address weaknesses in the controls over quarterly and annual reported predetermined objectives

DAFF-RELATED CONDITIONAL GRANTS

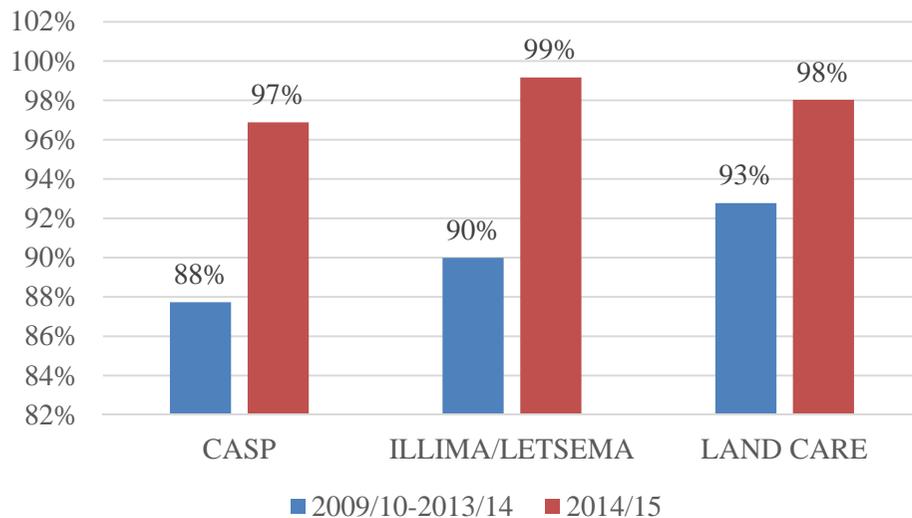
- DAFF is transferring agent for three conditional grants to provinces

| Conditional Grant | Purpose of the Grant |
|---|---|
| Comprehensive Agricultural Support Programme (CASP) | To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform restitution and redistribution and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically or involved in exports |
| Ilima Letsema | To assist vulnerable SA farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production |
| Land Care | To promote sustainable development and use of natural resources by engaging in initiatives that support the pillars of sustainability, leading to greater productivity, food security, job creation and better well-being for all |

ASSESSMENT OF CONDITIONAL GRANTS

- Spending of the agricultural conditional grants significantly improved in 2014/15 compared to historical spending patterns, although quality of spending still a major concern
- Some of the main challenges in the sector include poor planning, contractor challenges, late changes to business plans and weak and ineffective procurement processes
- Spending allocations to agricultural grants expected to decline over the MTEF period mainly as a result of underspending and reallocating resources into other priority areas

Spending performance of Agricultural Grants



Source: National Treasury Database

Real Growth in Agricultural Grants

| | 2015/16 | 2016/17 | 2017/18 | Avge Annual Growth |
|-----------|---------|---------|---------|--------------------|
| CASP | -16% | -3% | 1% | -6% |
| Illima | -3% | -2% | 1% | -1% |
| Land Care | -7% | -2% | 1% | -3% |

Source: DORB (2015)

INTERGOVERNMENTAL IMPLICATIONS OF GRANT PERFORMANCE

- Effective intergovernmental (IG) coordination is crucial in order to achieve optimal grant performance. Examples of IG challenges are:
 - Business plans of provincial agriculture departments are often approved late, delaying the implementation of projects
 - Any delay in processing of land claims by Department of Rural Development and Land Reform's (DRDLR) slows down the number of beneficiaries that can qualify for support from the agriculture grants
 - Some funded projects cannot proceed because there is no adequate water supply
 - Municipal profiling of indigent and food insecure households is crucial if these households are to qualify for support under the agriculture support scheme
 - Municipalities play an important role in ensuring adequate land is zoned for agricultural activity in their spatial development plans and to protect existing zoning rights of emerging and micro farmers

• Besides establishing IGR forums in each province, it is unclear how DAFF intends to address some of the practical implementation challenges related to the conditional grants



4. ENTITIES REPORTING TO THE DAFF

ENTITIES REPORTING TO DAFF

- DAFF made transfers to seven entities in 2014/15

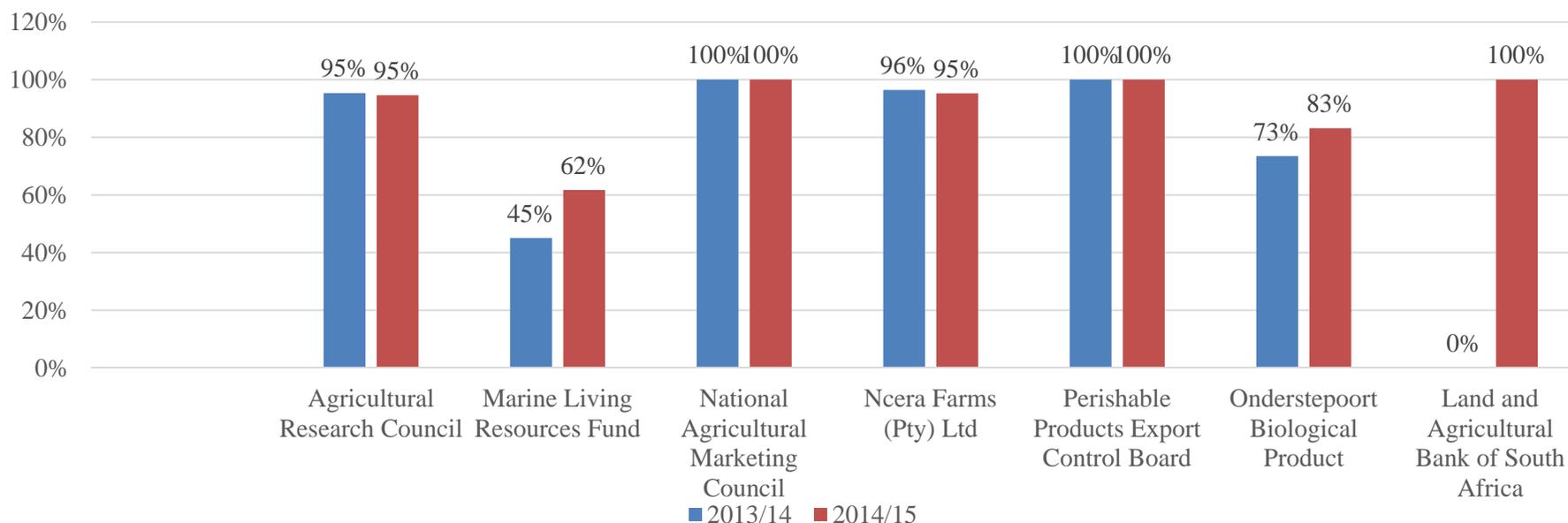
| Name of Entity | Nature of Operations | Financial Relationship |
|--|--|-------------------------------|
| Agricultural Research Council | Conducts applied research to generate knowledge, develop human capital and foster innovation in agriculture | Transfer Payment |
| Marine Living Resources Fund | Manages the development and sustainable use of SA's marine resources and protects the integrity and quality of the marine ecosystem | Transfer Payment |
| National Agricultural Marketing Council | Provides strategic advice to the Minister on all agricultural marketing issues, improves market access by all participants | Transfer Payment |
| Ncera Farms (Pty) Ltd | The company was established to provide agricultural extension services, mechanisation of agricultural production, provide training and advice on crops and marketing of agricultural products to farmers and nearby communities | Transfer Payment |
| Onderstepoort Biological Products Ltd | Purpose is to prevent and control animal diseases that impacts on food security, human health and livelihoods. | None |
| Perishable Products Export Control Board | Contributes to ensuring the orderly export of all perishable products and to monitor the maintenance of a continuous cold chain for exports. It also monitors minimum quality standards and adherence to bilateral agreements with importing countries | Transfer Payment |

TRANSFERS TO ENTITIES, 2013/14 AND 2014/15

| Entity | 2013/14 (R'000) | | 2014/15 (R'000) | |
|--|-----------------|---------|-----------------|---------|
| | Allocated | Spent | Allocated | Spent |
| Agricultural Research Council | 950 254 | 905 954 | 1 029 151 | 973 600 |
| Marine Living Resources Fund | 253 545 | 114 284 | 251 331 | 155 109 |
| National Agricultural Marketing Council | 33 819 | 33 819 | 36 005 | 36 005 |
| Ncera Farms (Pty) Ltd | 5 020 | 4 841 | 5 420 | 5 161 |
| Perishable Products Export Control Board | 600 | 600 | 600 | 600 |
| Onderstepoort Biological Product | 96 500 | 70 900 | 127 500 | 106 000 |
| Land and Agricultural Bank of South Africa | 33 347 | | 85 348 | 85 348 |

- Agricultural Research Council receives the bulk of transfer payments disbursed to entities receiving just over R1 billion in 2014/15
- In 2013/14 the Land and Agricultural Bank of South Africa did not spend its transfer due to proposals for funding not meeting criteria although situation corrected in 2014/15 with disbursed funds spent in full

SPENDING PERFORMANCE OF ENTITIES, 2013/14 AND 2014/15



- Marine Living Resources Fund and Onderstepoort Biological Product have consistently underspent transfers from DAFF yet reasons for underspending not clearly presented in the DAFF annual report
- The 5% underspending by the Agricultural Research Council (ARC) in 2014/15 amounts to R55.5 million. Given the significant share of funds that is transferred to ARC, underspending by a small percentage amounts to large amount in absolute terms and therefore should be closely monitored



5. CONCLUSION

CONCLUDING REMARKS

- The NDP envisages a major role for the DAFF in creating employment and growth and ensuring food security
 - Pockets of progress are evident for example job creation efforts starting to bear fruit
- Aspects requiring attention
 - Budget generally spent but achievement of targets is low
 - Oversight role of the department in relation to provincial counterparts needs to be strengthened
 - Underspending on grants generally as a result of weak planning and procurement processes in provincial DAFF – what role can DAFF play to enhance performance of provincial departments
 - The Commission welcomes recent initiatives to enhance oversight capacity at DAFF
 - Internal controls within the DAFF need to be improved, particularly in relation to:
 - Putting measures in place to prevent irregular expenditure
 - Ensuring that performance targets are specific measurable and verifiable

CONCLUDING REMARKS [CONT.]

- Coordination between DAFF and public works needs to be strengthened as existing delays and underspending in capital projects result of this weak coordination
- Better reporting in respect of public entities should be encouraged for better oversight purposes



6. PREVIOUS FFC AGRICULTURE – RELATED RECOMMENDATIONS

| Submission | FFC Recommendation | Government Response | Status |
|-------------------------------|--|---------------------|---|
| Response to 2014 DoR Bill | <p>The Commission noted that on aggregate, agriculture conditional grants had declined mainly due to underperformance. The main reasons for underperformance included: poor planning, procurement challenges, late submission of business plans and skills deficit in some of the provincial agricultural departments. The view of the Commission is that the sector should explore how it can leverage private sector partnerships, better absorb available funds, improve coordination with other sector departments, quality of spending and remove existing duplication with other departments</p> | | |
| Response to the 2011 DOR Bill | <p>The Commission was of the view that the various agricultural conditional grants were too small to be administered separately and as a result would not have the desired impact on agriculture and rural development. Given the low spending performance of these grants, the Commission recommended the merging of these grants into one comprehensive agriculture finance programme</p> | | <p>The issue of underspending/underperformance persists</p> |

| Submission | FFC Recommendation | Government Response | Status |
|--------------------------------|--|---|--|
| Submission for the 2015/16 DoR | <p>DAFF should strengthen its ability to enforce the conditions in the grant framework to ensure better oversight of provinces, so that spending and performance of agricultural conditional grants can be improved. The Commission suggests that norms and standards be developed to assess the performance of provinces and five-year evaluations of conditional grants be institutionalised</p> | <p>Government agrees that norms and standards should be developed to assess provincial performance. Regarding the institutionalisation of the evaluation of agricultural conditional grants, government (via the Department of Planning, Monitoring and Evaluation) is reviewing the comprehensive agricultural support programme grant's performance</p> | <p>In response to this recommendation, National Treasury established a task team to investigate effectiveness of agriculture conditional grants in the short-term. The task team recommended additional funding be set aside and allocated to DAFF to enhance its oversight and planning capacity of agricultural grants</p> |
| | <p>The Commission recommends that special focus is put on improving the operations of different food security programmes, especially Agriculture, EPWP and the School Nutrition Programme, which accelerate reduction in household food security without necessarily increasing programme expenditure. Areas that can yield improved results include better joint planning and streamlining procurement processes with the assistance of the Chief Procurement Officer. The ability to use available resources optimally for the food security programmes have declined overtime</p> | <p>Not responded to</p> | |

| Submission | FFC Recommendation | Government Response | Status |
|--------------------------------|--|---|--|
| Submission for the 2015/16 DoR | <p>Government should clarify the legislative mandate and responsibility of municipalities in relation to food security. In this regard, DAFF should develop a policy on urban food security with concrete proposals on how such a mandate will be funded. Currently food security is not seen as a competence of municipalities and therefore cannot be funded</p> | <p>Not responded to</p> | |
| | <p>The terms of reference for the committee to review the agricultural conditional grants should be finalised without delays. The review should be comprehensive in scope and should include assessing the value chain of conditional grants and unlocking operational constraints, especially in relation to planning, procurement, comprehensive smallholder support, cash-flow and monitoring and evaluation. Stakeholders such as the Department of Rural Development and Land Reform should be invited to be part of the committee and ways to streamline the funding overlap between the Ilima/Letsema grant and the recapitalisation and development programme should be examined</p> | <p>Government agrees with the recommendation that this work is a priority and that overlaps between grants are to be avoided. The Department of Agriculture, Forestry and Fisheries, the National Treasury and the Department of Rural Development and Land Reform are discussing ways to streamline existing overlaps in provincial grants</p> | <p>In response to this recommendation, National Treasury established a task team consisting of NT, DAFF and DRDLR to examine existing implementation and funding models in order to streamline operations between the two organisations. This work is still ongoing.</p> |

| Submission | FFC Recommendation | Government Response | Status |
|--------------------------------|--|--|---|
| Submission for the 2012/13 DoR | <p>Government should ensure that municipalities develop their own climate change mitigation and adaptation strategies and plans for climate change as part of the Integrated Development Planning process. Government should provide support in this respect to municipalities over the next three years, distinguishing between different types of municipalities by both location and capacity in terms of the mandatory requirements placed on them</p> | <p>Government is undertaking a number of initiatives that will assist municipalities in planning for the impacts of climate change. For example, the Department of CoGTA, in partnership with the Department of Environmental Affairs and SALGA, is developing an integrated planning toolkit for climate change. The toolkit will guide municipalities through the process of integrating climate responses into all phases of planning, from problem analysis to operations and review</p> | <p>In addition to Government's positive response, a process of amending the Disaster Management Act is underway which includes proposals for making it compulsory for municipalities to conduct risk assessments and prepare disaster management plans including climate change impacts and risks</p> |
| | <p>Government should consider providing municipalities with a performance-based conditional grants which rewards or incentivises actions that are environmentally efficient and responsive to the adaptation and mitigation challenges of climate change. The design of the proposed grant should pay attention to municipality specific factors, such as area, topography, coastal/or otherwise, and vulnerability to climate change. Specific areas for this grant should include:</p> <ul style="list-style-type: none"> •Efficient water management practices, Efficient energy management practices and the implementation of green procurement principles | <p>Poor uptake of existing incentive grants shows that such grants are not the most efficient way to influence the behaviour of municipalities. There may be merit in a specific conditional grant to address major infrastructure requirements related to climate change. However, more research is needed to determine the structure of such a grant.</p> | <p>National Treasury together with the FFC and other key stakeholders (Salga, CoGTA and DPME) have embarked on a review of infrastructure grants that will assess extent to which existing conditional grant system is optimally structured</p> |

| Submission | FFC Recommendation | Government Response | Status |
|--------------------------------|--|---|--------|
| Submission for the 2012/13 DoR | <p>The governance and institutional arrangements for rural development across the three spheres of government needs to be clarified urgently. This is important for planning, budgeting and implementation of rural development programmes. The Commission recommends that a functional mapping of all rural development activities be undertaken with specific responsibilities assigned to each sphere of government</p> | <p>Recommendation was part of an Annexure to the FFC's DoR Submission, hence no formal response from Government</p> | |
| | <p>The fiscal framework (both the equitable share and conditional grant allocations) for rural and agricultural development must be reviewed. In particular government should merge current conditional grants into a comprehensive agriculture and rural development finance programme, preferably administered by one department. This will improve the focus, targeting and impact and reduce transaction costs in the administration of conditional grants</p> | <p>Recommendation was part of an Annexure to the FFC's DoR Submission, hence no formal response from Government</p> | |

| Submission | FFC Recommendation | Government Response | Status |
|--------------------------------|---|--|--|
| Submission for the 2010/11 DoR | <p>Following on this recommendation, the Commission would like to propose that the government consider establishing an independent National Water Regulator that would report to Parliament. Its functions amongst others will be to:</p> <ul style="list-style-type: none"> • Regulate the entire water supply industry • Issue licences, regulate tariffs, and monitor water integrated resource plans for infrastructure investments • Regulate compliance to industry norms and standards • Regulate the supply of water and sanitation services and their compliance to quality standards • Regulate water efficiency and demand-side management • Develop regulatory frameworks for PPPs and alternative service delivery models in the water sector • Ensure regulatory instruments support the achievement of universal access to water and sanitation services • Monitor supply and demand trends in the water supply industry | Government agrees to the FFC's recommendation on the establishment of an independent National Water Regulator subject to its cost and affordability. Any lessons learnt from the regulation of both bulk and retail electricity should be taken into account | At present a National Water Regulator does not exist |

| Submission | FFC Recommendation | Government Response | Status |
|--------------------------------|---|--|----------------------------|
| Submission for the 2007/08 DoR | The Land Care Grant and Comprehensive Agricultural Support Programme Grant should be merged into one Schedule 4 grant. These two grants have overlapping objectives. The administrative burden on provinces will be minimised by the creation of only one Agriculture Grant | Government does not support this recommendation as it is of the view that the two grants have different objectives. The CASP targets agricultural extension services to beneficiaries of the land reform programme, while the land care programme seeks to promote the sustainable use and management of natural resources | The grants remain separate |

FFC'S WEBSITE: WWW.FFC.CO.ZA



FINANCIAL AND FISCAL COMMISSION

An Independent Constitutional Advisory Institution



[Home](#) [About](#) [Discussions](#) [Media & Events](#) [Research](#) [FAQs](#) [P.A.I.A](#) [Jobs & Tenders](#) [Links](#) [Contact](#)

You are here: [Home](#)



Submissions

- [Commission Submissions](#)
- [List of Recommendations](#)
- [Submission Chapters](#)
- [Budget Process](#)

Financial and Fiscal Commission
Intergovernmental Fiscal Relations Conference
10 - 13 August 2014

International Convention Centre,
Cape Town, South Africa

[Our Mandate](#)

More Publications

[Vote of Thanks 20th anniversary conference](#)

[Keynote Address - FFC 20th Anniversary Conference - Acting Chairperson](#)