### Ilima/Letsema Grant

<table>
<thead>
<tr>
<th>Transferring department</th>
<th>• Agriculture, Forestry and Fisheries (Vote 24)</th>
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<tbody>
<tr>
<td>Grant schedule</td>
<td>• Schedule 5, Part A</td>
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<tr>
<td>Strategic goal</td>
<td>• To reduce poverty through increased food production initiatives</td>
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<td>Grant purpose</td>
<td>• To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock and horticulture production areas</td>
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| Outcome statements      | • Increased agricultural production of grains, livestock and horticulture at both household and national level  
  • Improved household and national food security  
  • Improved farm income  
  • Maximised job opportunities  
  • Reduced poverty  
  • Rehabilitated and expanded irrigation schemes |
| Outputs                 | • Vulnerability assessment surveys conducted in nine provinces  
  • Land under agricultural production (grains, horticulture and livestock)  
  • Yields per unit area  
  • Superior breeding animals acquired and distributed to farmers  
  • Jobs created  
  • Beneficiaries/farmers supported by the grant per category  
  • Hectares of rehabilitated and expanded irrigation schemes |
| Priority outcome(s) of government that this grant primarily contributes to | • Outcome 4: Decent employment through inclusive growth  
  • Outcome 7: Comprehensive rural development and land reform |
| Details contained in the business plan | • Outcome indicators  
  • Outputs indicators  
  • Inputs  
  • Key activities  
  • Monitoring framework  
  • Risks and mitigation strategies |
| Conditions              | • 62 per cent of Ilima/Letsema grant funds should be allocated to support food production (crop and livestock production) in support of the Fetsa Tlala initiatives  
  • At most 30 per cent of Ilima/Letsema funds to be used for rehabilitation of irrigation schemes in Eastern Cape, Free State, Northern Cape, North West, KwaZulu-Natal and Western Cape provinces  
  • At least 8 per cent made available for the South African Vulnerability Assessments Committee to be paid by provinces to Statistics South Africa by 29 June 2018 as follows:  
    o Eastern Cape: R8.6 million  
    o Free State: R3.5 million  
    o Gauteng: R1.7 million  
    o KwaZulu-Natal: R3.5 million  
    o Limpopo: R6.2 million  
    o Mpumalanga: R5.3 million  
    o Northern Cape: R2.8 million  
    o North West: R4.6 million  
    o Western Cape: R9.3 million  
  • Only vulnerable households and subsistence farmers should be supported with inputs and mechanisation by this grant  
  • Partnerships with black commodity organisations should be prioritised for joint support, joint funding and joint implementation  
  • Provincial departments to confirm human resources capacity to implement Ilima/Letsema business plans on or before 28 March 2018  
  • All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2018 Division of Revenue Act when executing projects as well as for reporting purposes  
  • All assisted farmers should be listed in the provincial and national farm registers  
  • Provinces to inform the transferring officer of any changes from plans and allocations approved by the national Department of Agriculture, Forestry and Fisheries (DAFF), within seven days of such change and such changes must be approved by the transferring officer before they are implemented  
  • Provincial business plans must be signed off by the Head of Department of the provincial agriculture department in collaboration with the Chief Financial Officer or their representative, and co-signed by Heads of provincial treasuries  
  • Signed business plans must be submitted to the DAFF for approval |
## Ilima/Letsema Grant

### Allocation criteria
- The formula used to allocate funds is a weighted average of the following variables: agricultural land available, previous homeland areas, households involved in agriculture (General Household Survey 2016), food insecure areas and national priority areas targeted for increased food production, previous Ilima/Letsema performance.

### Reasons not incorporated in equitable share
- The funding originated with the special poverty allocations made by national government for a specific purpose and requires tight conditionality to achieve the national goal.
- Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve the aspirations of the National Development Plan.
- The responsibility for the programme rests with the DAFF while provincial departments of agriculture are implementing agents.

### Past performance
**2016/17 audited financial outcomes**
- Allocated and transferred R491 million, of which R488 million (99.2 per cent) was spent by the end of the national financial year.

**2016/17 service delivery performance**
- 13 503 jobs were created.
- 30 530 subsistence farmers supported.
- 19 168 smallholder farmers supported.
- 2 985 black commercial farmers supported.
- 68 398 households were supported with starter packs and production inputs.
- 282 schools were assisted to establish food gardens.
- 1 883 community food gardens were established.
- 130 954 hectares of land planted.
- Between 3 to 7 tons per hectare of maize produced.
- Vaalharts and Makhathini irrigation schemes were revitalised.

### Projected life
- Grant continues until 2020/21, subject to review.

### MTEF allocations
- 2018/19: R552 million;

### Payment schedule
- Four instalments: 20 April 2018; 24 August 2018; 26 October 2018 and 25 January 2019.

### Responsibilities of the transferring officer and receiving officer

#### Responsibilities of the national department
- Agree on outputs and targets with provincial departments in line with grant objectives for 2018/19.
- Provide guidelines and criteria for the development and approval of business plans.
- Provide template for project registration and reporting.
- Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly.
- Submit monthly financial reports to National Treasury 20 days after the end of the month.
- Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter.
- Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year.
- Oversee and monitor implementation of the grant during Ministerial Technical Committee (MinTech) on Agriculture and quarterly review meetings.

#### Responsibilities of provincial departments
- Provinces to adhere to the conditions of this framework and 2018 DoRA.
- Provinces to submit detailed project list as per the DAFF project list template.
- Provinces must submit monthly financial reports to DAFF 15 days after the end of each month, and quarterly non-financial reports 30 days after the end of each quarter, and annual evaluation report two months after the end of the financial year on the progress and achievements of the programme.
- Provinces to implement the Ilima/Letsema business plans as approved.
- All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2018 DoRA when executing projects as well as for reporting purposes.
- Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented.
- Assign and delegate officials to manage and monitor the implementation of the programme before April 2018.
- Keep records of projects supported and a farmers register.
- Monitor project implementation on quarterly basis and evaluate the impact of projects in achieving Ilima/Letsema goals.
### Ilima/Letsema Grant

<table>
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<tr>
<th>Process for approval of the 2019/20 business plans</th>
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<tr>
<td>• Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2018</td>
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<td>• Submission of provincial Ilima/letsema business plans by provinces on 28 September 2018</td>
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<td>• Engagement with provinces at the pre-national assessment panel on submitted business plans during October/November 2018 prior to final national assessment panel meeting</td>
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<td>• Evaluation and recommendation of business plans by national assessment panel between November 2018 and February 2019</td>
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<td>• Send funding agreements to provinces by February/March 2019 to be signed by Heads of Department, Chief Financial Officers, and Ilima/Letsema coordinators</td>
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<td>• Approval of business plans by the transferring officer before 29 March 2019</td>
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<td>• Inform provinces of approval of the business plans by March or April 2019</td>
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<tr>
<td>• Approval by the transferring officer regarding 2019/20 business planning process compliance during April 2019, and send to National Treasury by end April 2019</td>
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