No.0415 - 2023: Fifth Session, Sixth Legislature

**GAUTENG PROVINCIAL LEGISLATURE**

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**ANNOUNCEMENTS,**

**TABLINGS AND**

**COMMITTEE REPORTS**

**========================**

Friday, 01 December 2023

# ANNOUNCEMENTS

none

# TABLINGS

none

**COMMITTEE REPORTS**

**1. The Chairperson of the Environment, Agriculture and Rural Development Portfolio Committee, Hon. R J Kekana, tabled the Committee’s Oversight Report on the Second Quarterly Performance Report of the Department of Agriculture, Rural Development and Environmentfor the 2023/2024 financial year, as attached:**

**COMMITTEES QUARTER OVERSIGHT REPORT ON DEPARTMENT / ENTITY PERFORMANCE**

**Adopted Portfolio Committee on Environment, Agriculture and Rural Development Oversight Report on the 2nd Quarterly Report of the Gauteng Department of Agriculture and Rural Development for the 2023/2024 Financial Year**

| **Committee Details** | **Department / Entity Details** |
| --- | --- |
| **Name of Committee** | **Environment, Agriculture and Rural Development Portfolio** | **Name of Department / Entity** | **Gauteng Department of Agriculture and Rural Development** |
| **Which Financial Year** | **23/24** | **Dept. Budget Vote Nr.** | **11** |
| **Which Quarter** | **2nd**  | **Hon. MEC** | **Ms Mbali Hlophe**  |
| **Committee Approvals** |
|  | **Name** | **Date Considered by Committee** |
| **Hon. Chairperson** | Refiloe Kekana | Tuesday, 21st November 2023 |
| **Adoption and Tabling** |
| **Date of Final Adoption by Committee**  | **Scheduled date of House Tabling** |
| Tuesday, 21st November 2023 | **Monday,4th December 2023** |

ABBREVIATIONS

| **Abbreviation** | **Full Wording** |
| --- | --- |
| AEL | Atmospheric Emission License  |
| APP | Annual Performance Plan |
| BkB | Bontle Ke Botho |
| DALRRD | Department of Agriculture, Land Reform and Rural Development |
| DBSA | Development Bank of Southern Africa |
| DDM | District Development Model |
| GEYODI | Gender, Youth, Persons living with Disabilities |
| GPEMF | Gauteng Provincial Environmental Management Framework |
| GGT-2030 | Growing Gauteng Together – Our Vision 2030 |
| GPG | Gauteng Provincial Government |
| GPL | Gauteng Provincial Legislature |
| GWIS | Gauteng Waste Information System  |
| IDMS | Infrastructure Delivery Management System |
| IGR | Intergovernmental Relations |
| SOM | Sector Oversight Model |
| MEC | Member of Executive Council |
| MTSF | Medium Term Strategic Framework (in this case, relating to 2019-2024 Term of Office) |
| NDP | National Development Plan |
| PGDP | Provincial Growth and Development Plan |
| POE | Portfolio of Evidence  |
| PPP | Preferential Procurement Plan |
| PRAAD | Policy Reasonable Accommodation and Assistive Devices |
| PwDs | Persons living with Disabilities |
| RISDP | Regional Indicative Strategic Development Plan |
| SDGs | Sustainable Development Goals |
| TER | Township Economy Revitalisation  |
| TID | Technical Indicator Description |

# SUMMARY

| **ii. [Summary of the report]** |
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| ***Strategic Priorities****High level summary of Committee’s overall assessment of the Department / Entity achievement of relevant strategic priorities for the period under Review* |
| The Committee noted that the Department's focus is on harnessing and maximising the economic potential of the Province's agricultural sector and ensuring food security for all. Moreover, Agriculture has been identified as one of the Province's eleven key economic sectors. The Department committed to ensure that the sector is involved with all interventions to radically transform, modernise, and reindustrialise Gauteng. Apart from the alignment of its programmes and policies to the Gauteng Provincial Government’s (GPG) Transformation, Modernization and Reindustrialisation (TMR), the department also ensures alignment to the National Development Plan (NDP). The Department planned for and reported on a total of 59 indicators at the end of the Second Quarter. Overall, the Department achieved 80% (47) of its second quarter targets. 20% (12) of targets were not achieved for the second quarter. This can be attributed to non-achievement in Programme 1: Administration (5), Programme 2: Agriculture and Rural Development (6) and Programme 3: Environment (1). |
| ***Department / Entity APP Achievement****An overall Summary of whether the Committee thinks the Department / Entity Non-Financial Performance is sound and prudent* |
| The Gauteng Department of Agriculture, Rural Development and Environment spent **R304 701 000** of the quarter appropriation (**R273 920 000**) which is the equivalent of **111,24%** of budget for the quarter. The Administration programme spent **R73 135 000** of **R66 112 000** which is **110,62%** of quarter budget. The Agriculture and Rural Development programme spent **R85 792 000** of **R129 340 000** which is **66,33%** of quarter budget and the Environmental Affairs programme spent **R145 774 000** of **R78 468 000** equivalent to **185,78%** of quarter budget. The year-to-date effect of budget utilization means that it is only the Administration programme that has utilized their budget to levels commensurate with this stage in the budget cycle. The Agriculture and Rural Development programme recorded utilization levels that fall short of the optimum level for this stage in the budget cycle and returned year to date expenditure levels of just 39%. The Environmental Affairs programme exceeded the optimum level of budget usage for the quarter which returned 185,78% utilization, which puts the year-to-date utilization level at 77% for this period in the budget cycle. The Department further attained an **80%** level for APPs which compares with the level attained for first quarter of the current financial year which stood at 80% as well. |
| *An analysis on whether (and if so, the extent to which) the Department / Entity Programmes / Projects are indeed achieving its Strategic Objectives / Service Delivery Outcomes for the period under review.* |
| The Committee further noted that the Department’s performance in the previous financial year was hampered by various challenges that impacted on their service delivery mandate and it is important to ensure that these are given the necessary attention so that the delivery of services is enhanced. These include the Infrastructure Delivery Management System (IDMS) related challenges that impacted on procurement and tender processes. The Committee continued to encourage the Department to ensure that the service delivery mandate is achieved. |
| ***Department / Entity Project Management****Overall Summary on management and delivery of Department / Entity Projects* |
| **The Committee continued to note with concern the various capital funded projects that the Department is managing in the current financial year and over the Medium-Term Expenditure Framework (MTEF) period have run for a long period without completion. The Committee also noted the delay in the construction of the infrastructure projects through DBSA, has led to the delay in realization of expenditure for the allocated budget.**  |
| ***Financial Performance****An overall Summary of whether the Committee thinks the Department / Entity Financial Performance is sound and prudent* |
| The Committee noted that the financial performance of the Department generally shows concerning expenditure levels of the Agriculture and Rural Development programme which is one of two programmes at the forefront of service delivery yet, recorded just 29% of budget expenditure against an estimated optimum level of 50% as at the end of second quarter. The Portfolio Committee will engage the Department particularly on matters that relate to IDMS as well as the implications of the preferential procurement ruling by the Constitutional Court to ensure uninterrupted service delivery.The Committee noted that in the budget expenditure for quarter 2, the Administration Programme was allocated R63,469 million and the expenditure for the quarter is R66,911 million which translates to 105,42% expenditure for the quarter. The Agriculture and Rural Development Programme was allocated R147,012 million and utilized R71,117 million which translates to 48% for the quarter. This means that the programme has an amount of money in excess of R75 million that remains unutilized in the quarter under review. The Environmental Affairs Programme was allocated R82,584 million and utilized R73,951 million which translates to 89,5% expenditure for the quarter. |
| ***Resolutions Management****An overall Summary of the Committee’s assessment of Department / Entity Resolutions Management* |
| Responses to the House Resolutions are not yet due and analysed for the period under review.  |
| ***Petitions Management****An overall Summary of the Committee’s assessment of Department / Entity Petitions Management* |
| **The petitioner is Mr. Jafta Mosime, an adult male who resides at 617A Kenang Street, Zone 3, Meadowlands, 1852. He is submitting the petition on behalf of the residents of Meadowlands Zone 3.*** The petitioner alleges that waste management is not effective, as several people are dumping waste in open spaces, despite the existence of by-laws that prohibit such dumping. These by-laws state that it is illegal to drop, throw, deposit, spill, dump, store, discard, or otherwise dispose of any litter or waste into or onto any public place or any place accessible to the public.
* He also alleges that the dumping of waste in open fields indicates that waste management is not effective and underscores the need for frequent waste collection.
* According to his account, the dumped waste poses a health risk to community members, particularly children who play in the open fields**.**

**The petition was referred to the Department to respond and conduct a site visit. The Committee will monitor the developments in this regard.** |
| ***Public Engagements****An overall Summary of the Committee’s assessment of Department / Entity Public Engagements* |
| The Committee noted that during the reporting period under review the Department actively participated in public engagements, involved public stakeholders through stakeholder events in the Agriculture sector:* 14 July 2023: The Department had an Abattoir information Day at the Parktonian Hotel to share information about food Safety and reward abattoir owners that are complying with food safety standards with certificates.
* 18 July 2023: The department Celebration of Mandela Day with a BkB Clean-up campaign to deepen awareness of the Evaton community about litter, sustainable waste management actions and encouraging communities to ensure that their areas always remain litter-free.
* 1 – 9 August 2023: Biotechnology Workshop at The Capital, Menlyn, Pretoria to enhance shared learning and exchange of experiences among regulators in the biosafety framework on selected African countries. GDARDE participated in the National Women’s Day celebration at the Union Buildings, Pretoria under the theme “Accelerating socio-economic opportunities for empowerment of women”. The department shared information about its services to the public and responded to questions raised by the exhibition visitors on the day.
* 15 August 2023: The department held a Famers Dialogue meeting at Vereeniging Hall, to discuss and share information about Brucellosis.
* 18August 2023: The department hosted a Women Entrepreneur Awards Gallagher Convention Centre, Midrand to celebrate and reward women in agriculture and agroprocessing for the role that they play in increasing food security and growing the economy of the province as well as sharing information and new ideas through various speakers at the event.
* 18 August 2023: The department participated in the Premier’s Open Day Sicelo Community Hall where the community was engaged to hear about their challenges and share information about the programmes of the GPG departments. Information regarding how communities could benefit from those programmes was shared.
* 23 August 2023: GDARDE exhibited at the Ntirhisano Programme held at Slovo Park Open ground and Nancefield, to discuss service delivery challenges and as well as finding solutions.
* 31 August 2023: GDARDE and GDSD hosted a Combined Women’s High Tea at the Avianto Conference centre, Muldersdrift in to create a platform for women in business, in particular, those that are in the sectors that cover MEC’s portfolio to share best practices and challenges. (Basically, to learn from each other).
* 14 Sept 2023: The GDARDE exhibited at the Career Exhibition at the Dept of Labour Offices, Bronkhorstspruit to share information about departmental service delivery programmes and how they can benefit various segments of stakeholders can benefit from each of the programmes.
* 15 Sept 2023: GDARDE conducted a GISP workshop at Birchwood Conference Centre, Boksburg to encourage and strengthen symbiotic relations amongst companies.
* 16 Sept 2023: The department celebrated World Clean-up Day/National Clean-up and Recycle with the community of Dobsonville (David Pine Sports Ground) to deepen awareness about litter, sustainable waste management actions and encouraging communities to ensure that their areas are always remain litter-free.
* 27 Sept 2023: The department working together with Mogale City hosted an Arbor Day Celebration at the Munsieville Stadium, Krugersdorp to create awareness about the importance of trees and encourage communities to embark on tree planting projects.
* 29 Sept 2023: The Department held an Agro-processing and Plant production Workshop at Suikerbosarand Nature Reserve, Heidelberg to share information on agro-processing and plant production assist the department to implement the food security programme focusing on the establishment of community, school, and back yard food gardens. The EPWP participants will also implement the Bontle ke Botho Campaign which focuses on clean-ups and tree planting.
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| ***International Agreements****Overall Summary on Department / Entity implementation of relevant Internal Agreements / Treaties [Only if applicable]*  |
| **N/A** |
| ***GEYODI Empowerment****Overall Summary on Department / Entity achievement on actual GEYODI empowerment in communities* |
| The Committee noted with concern, that the Department for the 2nd quarter 2023/24 did not manage to achieve its procurement target for PWD. The Department however did achieve its target for HDI, Women and Youth. Although the Department targeted business owned by designated groups (Specific Goals) when requests for procurement for </= R1000 000 are made, the department did not achieve the target that was set. Procurement officials do target all Designated groups when requesting for quotations based on the commodities required by the Department, but it is still a problem with PWD and township owned businesses. |
| ***Fiduciary Compliance****Overall Summary on Department / Entity Compliance with fiduciary requirements* |
|  The format of the Gauteng Department of Agriculture and Rural Development’s 2nd Quarterly report of 2022/23 financial year is in compliance with standard requirements (targets per quarter, expenditure per programme, expenditure per economic classification). However, it should be noted that the new structure of the report makes no provision for revenue generated, economic classification but makes provision for an update on the status of capital projects the Department is involved in. |
| ***Capacitated Department / Entity****An overall Summary of whether the Committee thinks the Department / Entity is adequately capacitated and resourced to carry out its functions and discharge its mandates* |
|  |
| The Committee has always been of the view that all Departmental critical vacant positions should be filled to ensure that service delivery imperatives are attained.  |
| ***Any other Committee Focus Area (if relevant / applicable and Requirement)****High level summary of any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| N/A |
| ***Summary of Committee Findings****High level summary of Committee findings. Broadly, which aspects do they relate to* |
| The Committee continuously observed that the Department fails to spend its annual budget and never meets its planned targets. Moreover, there is:* Lack of improvement on spending the allocated budget, continuous underperforming, and not achieving planned targets.
* Failure to support the Township Economy Revitalization (TER) strategy and implementation thereof.
* Continuous failure to align its budget with its planned targets, as under expenditure is observed in Agriculture and Rural Development and Environmental Affairs Programme.
* Lack of completing infrastructure projects and spending in goods and services due to tender processes that are being implemented through the open tender system.
* Delayed restructuring of SCM Unit which continues to undermine the delivery of services by the Department.
 |
| ***Summary of Committee Recommendations****High level summary of Committee Recommendations. Broadly, which aspects do they relate to* |
| The Committee recommends that the Department provide: * A quarterly update on how all underachieved targets under the Agricultural sector will be achieved.
* Operational plans in place to ensure that the Agricultural Sector in the Province is supported.
* Comprehensive report on the implementation of the Township Economy Revitalization to support the planned target of 40 percent on township spending.
* Provide detailed quarterly reports on how it will align all its Departmental targets with its expenditure, and how the service delivery mandate will be achieved.
* A report on corrective actions that will be undertaken by the Department on the under expenditure experienced by the Agriculture and Rural Development.
* A report detailing the status of the various capital funded projects that the Department is managing in the current financial year and over the Medium-Term Expenditure Framework (MTEF) period which have run for a long period**.**
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# INTRODUCTION

The Environment, Agriculture and Rural Development Portfolio Committee exercises oversight and scrutiny over the Gauteng Department of Agriculture, Rural Development and Environment herein referred to as the Department. This includes planning, budgeting, financial management and reporting by the Provincial Department of Agriculture and Rural Development. In line with the provisions of the Constitution of the Republic of South Africa (1996), the Public Finance Management Act (PFMA) (1999) creates the basis on which oversight by Legislatures should be exercised. It clearly outlines areas of service delivery that should be reported on, including the responsibilities of officials and the role of the Legislature in cases where reports have to be tabled. This report primarily focuses on examining whether the budget allocated for the Department is aligned to key government strategic priorities. Furthermore, the report assesses whether the objectives of the Department correlate with the intended outputs as well as outcomes. The Portfolio Committee intends to interrogate and assess the overall departmental performance through in year monitoring and make findings on the performance of Departmental programmes during the 2nd Quarter for the 2023/24 FY. The Gauteng Provincial Legislature’s oversight methodology stipulates that when analysing the budget, the variables of the Sector Oversight Model (SOM) must be considered. Given that SOM variables are interrelated, priorities, inputs (capital and current), outputs and outcomes should be considered one against the other.

# PROCESS FOLLOWED

* The Speaker formally referred the 2nd Quarterly Performance Report of the Gauteng Department of Agriculture, Rural Development and Environment for the 2023/24 financial year to the Environment, Agriculture and Rural Development Portfolio Committee for consideration and reporting.
* At the meeting held on Thursday, 26th October 2023 the Committee Researcher tabled an analysis of the performance report of the 2nd Quarter performance 2023/24 FY.
* On Tuesday, 14th November 2023 the Gauteng Department of Agriculture, Rural Development and Environment presented the 2nd Quarterly Performance Report for the 2023/24 financial year to the Portfolio Committee focusing on the departmental financial and non-financial performance.
* On Monday, 20th November 2023, the Portfolio Committee deliberated and adopted the draft oversight report on the 2nd Quarter performance of the Department. The report was submitted to the Proceedings Unit for tabling and consideration by the House.

# OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF STRATEGIC PRIORITIES

| **1.1 THE DETAILS ON Department / Entity achievement on relevant Strategic Priorities for the period under review]** |
| --- |
| The Committee noted and acknowledged the following entity achievements under the period under review:**Priority 2: Economic transformation and job creation** (Outcome - Transformed agri-food value chains through increased participation of previously disadvantaged farmers in Commercial agriculture)* Forty (40) smallholder producers supported, and fifteen (15) women producers supported.
* Twelve (12) smallholder producers supported in Sedibeng and West Rand.
* Two thousand one hundred and fifty-four (2 154) epidemiological units visited, and fourteen thousand eight hundred and sixty (14 860) laboratory tests performed.
* Four thousand five hundred and sixty-eight (4 568) export control certificates issued

**Priority 5: Spatial integration, human settlements, and local government** (Outcome - Improved environmental protection to achieve sustainable development)* 100% of completed atmospheric emission licenses issued within legislated timeframes
* 100% of completed EIA applications were finalised within legislated timeframes
* 100% of waste licence applications were finalised within legislated timeframes.

**Priority 5: Spatial integration, human settlements and local government*** 100% queries were resolved via email on GPG Common Platform that were requesting funding, farming information, land, and municipality support complaint.
* Nine (9) stakeholders contributed to the implementation of Rural Development programme through quarter 1 progress reports.
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# 2 OVERSIGHT ON DEPARTMENT / ENTITY ACHIEVEMENT OF APP TARGETS

| **2 [THE DETAILS ON DEPARTMENT / ENTITY APP PERFORMANCE]** |
| --- |
| **Number of APP targets relevant for this Quarter** |
| 56 |
| **Number of APP targets for this Quarter that have been achieved during this Quarter** |
| 45 |
| **Percentage of APP targets for this Quarter that have been achieved during this Quarter** |
| 80% |
| **Percentage of APP achievement for the previous Quarter (for Comparison)** |
| 85% |
| **Main areas in the APP that have experienced non-achievement or over achievement during this Quarter** |
| The Environment Programme could not achieve 1 target and was closely followed by the Administration Programme which failed to achieve 2 targets whilst the Agriculture and Rural Development with 8 unachieved, recorded the highest number of unattained targets. |
| **Main reasons provided by the Department / Entity for non-achievement or over achievement of its APP during this Quarter** |
| The Department reported the following reasons for non-achievements of its APP during the quarter under review;* The Department managed to pay 100% of Invoices within 30 and 15 days, 90% of all invoices received within 10 days were processed in the 2nd quarter of the 2022-2023 Financial year. The main reasons for exceeding the 10 Days were due to the payment runs that were confirmed by the Department on the 12th and 19th of July 2022, but these payment runs were not successful because SITA experienced network problem. Two Eskom RLS02's received after the payment run hence, they exceeded by 2 days. All system related error and payment run error is known by Provincial Treasury and the Department does not have any control over these system errors. Payment section will continue to follow up with end user to ensure approved RLS02 are submitted on time.
* Hectares of agricultural land rehabilitated - LandCare Business Plans have not yet been approved by the National Department of Agriculture for hectares of agricultural land rehabilitated, green jobs created and hectares of cultivated land under Conservation agricultural practices. Awaiting the results from the National Department of Agriculture.
* Production across agriculture value chain - Two purchase orders were issued for the supply and delivery of breeding stock to identified farmers. However, the service providers are still sourcing goats
* Smallholder producers supported - The two service providers have received purchase orders through RFQs for the supply and delivery of goats. They have indicated that they were having difficulties finding the Boer Goat breeds in Gauteng, but they are looking outside the Province like the Northern Cape. The agreement with the service providers is that they will confirm on 14 October when deliveries will be made.
* Subsistence producers supported - Target not reached due to the delays in the appointment of the service provider to supply production inputs and the delays in issuing of purchase orders submitted to SCM through RFQ.
* Environmental authorisation permits issued within - Applications were delayed due to the system not generating email notifications to the next level of reporting lines and resulted to 9 applications being processed out of time frames.
 |
| **Measures in place (with timeframes) to correct the deviation in targets for this Quarter and to prevent recurrence of such or similar deviation** |
| The Department implemented the following mitigating measures to remedy the under expenditure:* The Department approved the additional 10 positions in SCM directorate and reviewed the structure to include all SCM functions to respond to the increase in demand of Department priorities. These structure changes were included in the Department ‘s approved Organisational structure to capacitate the SCM directorate.
* All procurement functions are given priority, the Department Identify tenders which can be implemented and give preference to the designated groups through application PPR 2017 Regulation 4 to advance designated groups.
 |
| **A summarized analysis on the Department / Entity performance per Programme for the period under review** |
| **This Quarter Performance Information report reflects on the performance of the Gauteng Department of Agriculture, Rural Development and Environment (GDARDE) for the end of Quarter 2 (i.e. July to September 2023) against predetermined annual and quarterly targets outlined in the 2023/24 Annual Performance Plan (APP). The section below outlines key priority programmes and projects that have been implemented through the Annual Performance Plan (APP) across all budget programmes and expands on key successes and achievements. Moreover, the report outlines key areas of under-performance and challenges that were experienced in the quarter under review.** **The Department planned for and reported on a total of 59 indicators at the end of the Second Quarter. Overall, the Department achieved 80% (47) of its second quarter targets. 20% (12) of targets were not achieved for the second quarter. This can be attributed to non-achievement in Programme 1: Administration (5), Programme 2: Agriculture and Rural Development (6) and Programme 3: Environment (1).****PROGRAMME 1: ADMINISTRATION** **The programme’s purpose is to conduct the overall management and provides an administrative support function. The financial management function in the Department improves financial accountability, and compliance to prescripts and regulations.** The core function for the financial management unit in the Department is to improve financial accountability and compliance in relation to the set prescripts and regulations. The Department during the Second Quarter of the 2023-2024 Financial Year managed to pay 100% of Invoices within 30 days. Furthermore, 97% of all invoices received were paid within 10 and 15 days. The main reasons for exceeding the 10 and 15 days which has been set by the Department were due to the following reasons: The tax clearance certificate of suppliers was not updated on the system and the payment could not be processed until it was cleared, (ii) SRM system glitches experienced, resulting into delays in processing invoices on time, (iii) RLS02s submitted after the payment run and (iv) The Supplier PO was created with a wrong General Ledger account and the misallocation was picked up when the payment disbursed on the exceptions. The Payment section continues to follow up with E-Gov, to raise any system related challenges. End-users are encouraged to ensure that the approved RLS02s get submitted within the 10 days’ timeframe.The Department achieved its planned targets on the procurement on designated groups for Women and Youth only. This saw the total procurement that target businesses owned by women rise to 54% against the set target of 40%. For businesses owned by youth, 35% was achieved against 30% quarterly target. The target for persons with disabilities, military veterans was not met, this was due to the non-responsiveness of request for quotations targeted to businesses owned by the designated group. Only 0.4% was achieved for procurement on businesses owned by PwDs and 0% on Military Veterans. Businesses owned by People with Disabilities and Military Veterans selected on CSD were non-responsive on the request for quotations procurement processes. When requesting for quotations, SCM has committed to further engage GEYODI to assist with sourcing more PwDs owned businesses that provide services in the agriculture sector.There was no irregular expenditure incurred. All tenders above the value of R2 million were completed through the open tender process. Percentage in department township spend target was not met (33% against 40%). Request for quotations to township-based companies was done, however; most of the tendered requests for quotation prices were not market related and were found to be highly inflated. More preferences will be given to Township owned businesses and SCM will continue to monitor the selection of these businesses for procurement on CSD. The rand value of tenders above R30 million to be sub-contracted to SMMEs is at 0%. PPR 2017 which advocated for subcontracting 30% of contract above R30 million to advance designated groups was repealed and replaced by PPR 2022 from the 16 January 2023. The impeding factor was the commencement of the implementation of the PPR 2022 on the 16th of January 2023, which introduced specific goals requirements. GDARDE has since reviewed the SCM policy and the SOP in line with the PPR 2022, and goods/services will be procured in line with the approved SCM Policy and SOP.The department managed to receive an unqualified audit for the 2022/23 financial year. With regards to number of work opportunities created through Tshepo 1 million, a total of 5 920 work opportunities were created in Quarter 2. Ntirhisano is a Community Outreach programme initiated by the Provincial Government to address service delivery issues. GDARDE continues to participate in the Ntirhisano programme and is mostly responding to challenges related to farmer support, land availability, and waste management. All 16 enquiries received were resolved (100%) than relating to land availability, farmer support, grant funding, farmer training and AgriBEE Fund. **PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT** **The purpose of this programme is to consolidate and enhance the role of the agricultural sector in radically transforming, modernising and re-industrialising Gauteng. The programme is also intended to support viable and sustainable agricultural enterprises, increase access to food security for all, and ensure comprehensive rural development.****Agriculture and Rural Development**The purpose of this programme is to manage and coordinate the provision of integrate rural development services. Moreover, it is to consolidate and enhance the role of the agricultural sector in radically transforming, modernising and re-industrialising Gauteng. The programme is also intended to support viable and sustainable agricultural enterprises, increase access to food security for all, and ensure comprehensive rural development.**Sustainable Resource Management**The Sustainable Resource Management (SRM) is responsible to manage and coordinate the provision of sustainable resource management services.LandCare programme includes combating land degradation and sustainable agriculture through removal of Invasive Alien Plants, Supply of Nitrogen fixing crops such as legumes, minimum tillage of the soil, supply organic fertilizers and while creating EPWP temporary jobs. The programme also focused on Conservation Agriculture approach using equitable share and which benefitted local farmers that were subjected to floods, drought and at risk of natural disasters. In relation to hectares of agricultural land rehabilitated, nil (0) was achieved for the quarter under review. A total of 20 green jobs were created against the 100 that was planned for the quarter where local communities were re-enforcing soil structures, removal of weeds and planting of cover crops. Lastly, nothing (0) was achieved for hectares of cultivated land under Conservation Agriculture practices. The non-achievement of the indicators under LandCare is due to the Delayed approval of 2023/24 land care business plans which resulted in the delays of the appointment of service providers. The business plans have since been approved and the first quarter tranche has been transferred. GDARDE has further put plans into place to accelerate the achievement of the set target.The Department received numerous requests from farmers and other government institutions which resulted in 55 farm management plans developed against the quarter target of 30. Furthermore,1 disaster management awareness campaign was conducted on disaster risk reduction, and 1 survey on the uptake for early warning information was conducted in this quarter. **Agricultural Producer Support and Development**The Agricultural Producer Support and Development Directorate is responsible to expand access to agri-food value chain opportunities, promote agricultural development within the land and agrarian reform in the province and maximise food security, through provision of sustainable agricultural development support to subsistence, smallholder and commercial producers. Moreover, the directorate ensures the provision of agricultural infrastructure support, the coordination and rendering of extension and advisory services as well as training and capacity building of producers.The timeous delivery of production inputs resulted in the Department supporting 6 producers in the Red Meat commodity. The Department also managed to support 15 women producers, 40 smallholder producers and 12 smallholder producers in Sedibeng and West Rand with vegetable and piggery production inputs in quarter 2.The partnership between the Department, DALRRD and AGRI SITA resulted in 274 participants trained in various skills development programmes in the sector. A total of 554 capacity building activities for smallholder producers were conducted and 29 capacity building activities were also conducted for smallholder producers to be commercialised. The various training provided to farmers include i.e. Aquaponics, African Swine Fever, Veld Management, SHEP Approach and Market Survey, CARA and nutrition of livestock, Record keeping, Branding and Vaccination Demonstration, Broiler Management, Access to finance, Livestock Ear Tagging Demonstration, Indigenous poultry production, Feedlot Demonstration, Disaster Management Awareness through study groups sessions, farmers day, demonstration trails and technical advisory services.**Veterinary Services** The Veterinary services (VETS) are assigned with the responsibility of reducing levels of animal disease occurrence and negligible occurrence of zoonotic diseases in the province. The objective is to ensure healthy animals and safe animal products which contribute to the welfare of the people of Gauteng through the provision of required services.The target for visits to Epidemiological units for Veterinary interventions was not met. There were 2 154 visits conducted against the planned target of 2 250. Non availability of essential stock items at the Epidemiological units for veterinary interventions were due to delays in procurement. SCM to fast-track procurement of essential stock items. The Temba clinic has managed to attend to a total of 7 908 cases against the planned target of 5 000. The Themba clinic remains busy due to high public demand for Veterinary services. The number of samples collected for targeted surveillance depends on having the resources to conduct surveillance activities, field personnel collecting samples, disease outbreaks and the laboratory processing the samples and reporting on the results. This figure fluctuates throughout the year depending on the above. Some of the surveillance activities are seasonal particularly for diseases such as avian influenza. The samples collected during this period (225) exceeded the target of 125 for the period driven by avian influenza surveillance. Gauteng is currently experiencing one of the worst outbreaks of HPAI. The Department has achieved 455 of its planned targets of 300 for number of inspections conducted on facilities producing meat. The achievement was also attributed to the Joint intergovernmental campaign on Food Safety continued through the 2nd quarter and VPH completed 10 meat safety awareness campaign.The amounts of exports and numbers of certificates issued are depended on the prevailing zoo sanitary status and socio-economic factors within the Republic of South Africa and the recipient importing countries. A total of 4 568 export control certificates were issued. A total of 14 860 laboratory tests have been conducted in this quarter against a planned target of 15 000. The number of laboratory tests performed according to prescribed standards is dependent on field personnel collecting samples, disease outbreaks and the laboratory processing the samples and reporting on the results. No mitigation is required as this indicator is dependent on laboratory tests received and processed. The majority of customers were satisfied with the services rendered with an overall satisfaction rate of 97% which was well above the target of 75%. **Research and Technology Development Services**The Research and Technology Development Services (RTDS) Directorate is responsible to render expert and needs based research, development and technology transfer services impacting on development objectives. The Department in collaboration with The Innovation Hub Management Company (TIHMC) was able to support 10 Agribusinesses SMMEs incubated at BioPark during the quarter under review. There were 4 research presentations made at the Fodder flow and Sprout farmers day that was held on 21 July 2023 at the Agricultural Research Council in Roodeplaat Campus. The functionality of the Department’s tractors resulted in 1 595 hectares worked on in this quarter. In addition, 4 women benefitted from Agri-parks due to the availability of funds.**Agricultural Economic Services**The Agricultural Economics Services (AES) Directorate is responsible to provide timely and relevant agricultural economic services to ensure equitable participation in the economy. The agricultural value-chain in the Gauteng Province largely reflects historic ownership and participation patterns, with the dominance of a limited number of large commercial industry players. At the periphery of the mainstream economy are smallholder farmers, mainly involved in primary agricultural activities. Many of these smallholder farmers are struggling to operate sustainable and viable businesses. They have insufficient resources; knowledge and skills which becomes an impending factor and barrier to enter the mainstream markets and reaping real socio-economic benefits. Access to markets remains the main steppingstone that ensures the economic emancipation for agricultural smallholder producers, therefore, effective integration into the mainstream economy simply expands the opportunity to sell their produce to larger target markets.The Department provided training on HACCP, food safety awareness workshop and the requests for business plans development from farmers resulted in 138 clients supported with production economic services. A total of 44 agri-businesses were supported with marketing services through Market days and training on HACCP. Furthermore, the development of business plans and food safety awareness workshop resulted in 60 micro home-based agro-processing enterprises supported in TISH. During this quarter, the Directorate Agricultural Economic Services ensured that 91 agro-preneurs are capacitated on Bookkeeping, invoicing, record keeping and food safety workshop. The Department managed to support 10 agribusinesses with Broder Black Based Economic Empowerment (BBBEE) advisory services. Agribusinesses were provided with BEE advisory services though GDARDE open market days. The target was not achieved due to unresponsiveness of Agribusinesses to the open market day. More Agribusinesses to be targeted during GDARDE market days. The Department to further organize workshops on BEE advisory services, targeting both internal and external stakeholders.The Department conducted due diligence on Agricultural enterprises that applied for funding from the GDARDE Agroprocessing Investment scheme and for support with poultry processing equipment for household-based enterprises which resulted in 173 agricultural economic information responses offered to farmers. There were 3 economic reports compiled i.e. Employment data in the Agricultural sector, Status of Agriculture and Agroprocessing and Mobile Abattoir Impact analysis in quarter 2.Gauteng Provincial Government departments continue to report their provision of services in the rural areas of the province. GDARDE continues with the coordination of Rural Development Programme in line with the proposed Minister’s performance agreement. This will be done according to the District Development Model which is led by Gauteng Provincial Treasury and Gauteng Cooperative Governance and Traditional Affairs departments. On average, nine stakeholders (provincial departments, municipalities, national departments, and government entities) contribute to Rural Development. For the quarter under review, a total of nine (9) stakeholders have submitted quarter 2 progress reports (GDARDE, DALRRD, GDE, GDSD, SASSA, SAPS, SDM, WRDM and CTMM). There are eight (8) transformation agreements facilitated in the five agriculture/agro-processing priority sectors. A total of 224 SMME representatives and Military Veterans were supported with Cradle of Humankind World Heritage Site SMME Development Workshop on 15 July 2023 and Financial Management Workshop in collaboration with Small Enterprise Finance Agency and Nedbank on 24 August 2023. **PROGRAMME 3: ENVIRONMENT** **Compliance and Enforcement** The objective of this unit is to manage the development, and implementation of environmental compliance monitoring systems, enforcement of legislation and environmental authorisations. The Department managed to issue 63 administrative enforcement notices for non-compliance with environmental management legislation against the quarter target of 25. The overachievement was due to the intervention undertaken to address the failure of facilities registered on the Gauteng Waste Information System (GWIS). A total of 11 criminal investigations were finalised and handed over to the NPA for prosecution. In addition, 92 compliance monitoring inspections were conducted by the Department and 3 S24G applications were finalised within 60 days of payment of administrative fine which makes the 100% achievement in Q2.**Impact Management**The purpose of this unit is to manage the implementation of environmental impact mitigation to promote sustainable development and a safe healthy environment.The Department finalised 100% of EIA applications received within legislated time frames, 22/22 decisions within legislated timeframe =100%. The Enviro applications finalized within 30 working days for 01 Apr 2023 to 30 September 2023 were as follows:(109/145) = 75%, and Environment applications finalized within Legislated timeframe for 01 Apr 2023 to 30 September 2023 were (139/145) = 96% in the quarter under review.**Air Quality Management**The objective of this unit is to manage the promotion of sustainable environmental management for improved quality of life by promoting acceptable ambient air quality and manage hazardous substances and other related anthropogenic activities. The Department received no Atmospheric Emission License (AEL) which translates to 100 percent achievement. Percentage of facilities with Atmospheric Emission licences issued within legislated timeframe is at 100 percent. No Atmospheric Emission License (AEL) Application was received and therefore none was issued. All AEL Applications will be processed on time when received.**Waste Management**The purpose of this unit is to manage the implementation of waste management strategies and waste information systems, issues waste authorization, support local government to render appropriate waste management services and promote waste minimization in Gauteng. A total of four (4) Licenses were issued within legislated timeframes and the Smartgov is contributing positively to the routing process in quarter 2. There were no licenses issued outside the legislated timeframes. Furthermore, the Department also issued 349 Waste Certificates due to the system efficiency and no internet glitches experienced. A total of 19 Health Care Waste approvals due to Smartgov system has improved the routing process hence the target was achieved. **Biodiversity Management**The purpose of this unit is to promote equitable and sustainable use of ecosystem goods and services to contribute to economic development. The Department managed to issue 2 763 permits in quarter 2. Of this total, 2 558 permits were completed within legislated time frame and 205 outside time frame. Therefore, the planned target of 90% was overachieved by 2% (92%). **Environmental Empowerment Services**The purpose of this unit is to empower communities to manage natural resources through job creation, skills development, and awareness opportunities. The Department conducted 17 environmental capacity building in the form of training i.e. 4 EPWP induction, 2 EPWP Ministerial Determination, 1 Occupational Health and Safety, 1 Basic Waste Management, 1 Waste Recycling, 3 Food Gardens Development, 1 EPWP Reporting System, 1 Fire Marshall and First Aid, 1 Plant Propagation, 1 Financial Management and 1 Project Management. A total of 206 environmental awareness activities were conducted and a further 4 408 Shade trees, 7 709 Fruit trees and 22 710 Shrubs were planted. The underachievement of 3 4 827 trees planted was due to budgetary constraints to procure more trees for the project in quarter 2. The Department will source funds and resources from other partners to procure or source more trees for the project implementation.  |
| **Summarized information on any unplanned / emerging priorities reported on by the Department / Entity during the period under review** |
| There were none unplanned or emerging priorities reported for the quarter. |
| **Summarized information on how the Department / Entity maintains portfolios of evidence to verify its reported performance information** |
| The verification process is intended to ensure that the reports, listings and Portfolios of Evidence (POEs) submitted by the branches are accurate. This is done by cross checking the reports against the supporting listings and POEs. The focus areas that the Monitoring and Evaluation Unit (M&E) validates during verification include the following:* POE against TID (as it appears in an approved APP): This verifies whether the submitted POE is the one stipulated in the TID or not.
* Listing against POE: This verifies whether all the POEs are reflected in the listing.
* Dates: This verifies whether the dates contained in the POE fall within the quarter under review.
* Signatures: This verifies whether all the required signatures in the documents are appended or not.
* ID copies: This is to verify the ID numbers of beneficiaries and to support the signature appended on the delivery notes.

In the end, evidence and listings provided must reflect and correspond with the reported figures. If the numbers do not correspond, this is communicated to the branches for correction, resubmission or confirmation the figures as recounted by M&E. When all of this has been completed, the validated report, listings and POEs get stored on Planning, Monitoring and Evaluation’s electronic shared folder which is located on the Department’s internal drive. The internal shared drive which is only accessible to M&E and IT officials who have been granted access. |

# 3 OVERSIGHT ON DEPARTMENT / ENTITY PROJECT MANAGEMENT

| 1. **FTHE DETAILS ON [DEPARTMENT / ENTITY PROJECT MANAGEMENT]**
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| The Committee continuous to be concerned with the lack of project management from the Department in the previous years. The Department has lacked in completing infrastructure/capital funded projects and spending in goods and services due to tender processes that are being implemented through the open tender system. The Committee conducted oversight on some of the outstanding projects and will continue to monitor as some of them date back to the previous Political Term. (the same reporting last time).

| **No.** | **Project Name** | **Programme** | **Project Description** | **Outputs** | **District Municipality** | **Project start date** | **Project completion date (Estimated)** | **Total estimated****cost R’000** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | Vereeniging Fresh Produce market – Upgrading of the Fresh Produce Market. | Agricultural Economics Services | Vereeniging Fresh Produce market –Upgrading of the Fresh Produce Market. | Upgraded facilities at the fresh produce market | Sedibeng | 28-Nov-2017 | 10-Jun-2023 | 22 000 |
| **2** | Suikerbosrand Nature Reserve- Upgrade of Southern Water line | Biodiversity Management | Suikerbosrand Nature Reserve-Upgrade of Southern Water line | Upgraded water line for improved water supply to differentfacilities at the nature reserve | Sedibeng | 17-Jun-2015 | 31-Mar-2026 | 21 189 |
| **3** | Suikerbosrand Nature Reserve- Upgrade of Northern Water line | Biodiversity Management | Suikerbosrand Nature Reserve-Upgrade of Northern Water line | Upgraded water line for improved water supply to differentfacilities at the nature reserve | Sedibeng | 01-Jul-05 | 31-Mar-2026 | 35 230 |
| **4** | Suikerbosrand Nature Reserve- Upgrading of Bulk Infrastructure | Biodiversity Management | Suikerbosrand Nature Reserve-Upgrading of Bulk Infrastructure | Upgraded roads, sewerage andelectrical supply at the nature reserve | Sedibeng | 23-Nov-17 | 30-May-23 | 49 081 |
| **5** | Abe Bailey Nature Reserve- Construction of Fence | Biodiversity Management | Abe Bailey Nature Reserve-Construction of Fence | Securely fenced Nature Reserve | West Rand | 05-Feb-18 | 30-Jun-23 | 23 726 |
| **6** | Marievale Nature Reserve - Maintenance at Marievale Bird Sanctuary Provincial Reserve | Biodiversity Management | Marievale Nature Reserve - Maintenance at Marievale BirdSanctuary Provincial Reserve | Properly maintained facilities at the nature reserve | Ekurhuleni | 26-Jan-18 | 10-Jun-23 | 532 |
| **7** | Upgrading of Tarlton Agripark | Research and Technological Development Services | Upgrading of Tarlton Agripark | Upgraded facilities at the AgriPark | West Rand | 10-Apr-18 | 10-Jun-23 | 5 514 |
| **8** | Obed Mthombeni Nkosi Township Mega Agripark- Planning and designing of the Mega Agripark. | Research and Technological Development Services | Obed Mthombeni Nkosi Township Mega Agripark- Planning anddesigning of the Mega Agripark. | New mega AgriPark | Sedibeng | 01-Apr-19 | 30-May-23 | 64 760 |
| **9** | Roodeplaat Nature Reserve - Construction of new staff housing, Upgrading of Zeekoeigat hall and sleeping quarters | Biodiversity Management | Roodeplaat Nature Reserve -Construction of new staff housing, Upgrading of Zeekoeigat hall andsleeping quarters | Upgraded facilities at the nature reserve | City of Tshwane | 01-Apr-19 | 10-Jun-23 | 10 283 |
| **10** | Various Farms – Construction of 8 Piggery structures. | Farmer Support and Development | Construction of 8 Piggery structures | 5x 50 sow units and 3x 21 carrying capacity piggery structures for subsistence, smallholder andblack commercial producers | City of Tshwane, West Rand, Sedibeng district, City of Johannesburg, Ekurhuleni | 07-Nov-17 | 30-Jun-23 | 25 509 |
| **11** | Repairs of hydroponic tunnels | Farmer Support and Development | Repairs of hydroponic tunnels | Properly maintained facilities atcommunity garden projects | Ekurhuleni, Sedibeng | 16-May-18 | 10-Jun-23 |  843 |
| **12** | Construction and commissioning of the 24-broiler house (2500 broilers each) and 6 Layer house (5000 layers each) | Farmer Support and Development | Construction and commissioning of the 24 broiler houses (2500 broilers each) and 6 Layer houses (5000 layers each) on 14 sites | 24 broiler houseswith 2500 carrying capacity and 6-layer houses with 5000 carrying capacity at 14 sites | City of Tshwane, City of Johannesburg Ekurhuleni, Sedibeng and West Rand | 13-Mar-17 | 10-Jun-23 | 22 051 |
| **13** | Installation of boreholes and irrigation systems. | Farmer Support and Development | Installation of irrigation systems on 10 sites | Irrigation systems at 10 different locations | City of Tshwane, City of Ekurhuleni, City of Johannesburg, Sedibeng | 31-Aug-19 | 08-Nov-23 | 25 307 |
| **14** | Construction of new poultry structure (5 000 capacity) | Farmer Support and Development | Construction of new 5 000 capacity poultry structures | 1-layer structure and 2 broiler structureswith 5 000 carrying capacity for smallholderproducers | City of Tshwane West Rand Sedibeng | 19-Jul-19 | 10-Jun-23 | 9 158 |
| **15** | Construction of new poultry structure (40 000 capacity) | Farmer Support and Development | Construction of new poultry structure (40000 capacity) | 3-layer structures with 40000 carrying capacity | City of Tshwane City of Ekurhuleni Sedibeng | 08-Jul-19 | 10-Jun-23 |  24 994 |

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# 4 OVERSIGHT ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE

| **4 THE DETAILS ON DEPARTMENT / ENTITY FINANCIAL PERFORMANCE** |
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| **Actual amount (in Rands) allocated to the Department / Entity as budget for this entire Financial Year**  |
| **R1,066,204 000** |
| **Actual amount projected by the Department / Entity to be spent only during the Q under review** |
| **R273,920 000** |
| **Actual amount (in Rands) spent by the Department / Entity only during the Q under review** |
| **R304,701 000** |
| **Total actual amount (in Rands) spent by the Department / Entity (Year to Date), i.e. from the beginning of this FY to the end of this Q under review** |
| **R555 708, 000** |
| **Percentage (% of total budget allocation) of budget expenditure for this Q under Review only** |
| 52% |
| **Percentage (% of total budget allocation) of budget expenditure (Year to Date), i.e. from the beginning of this FY to the end of this Q under review** |
| **111%** |
| **An analysis of how the % budget expenditure compares with the % APP achievement** |
| Budget expenditure is at 39% and APP achievement is at 80% |
| **If there was over / under spending of greater than 3% of projection, what were the main challenges that led to the over / under spending** |
| The Committee noted the Department’s targets process for the Quarter under review.* The department projected expenditure is R273,9 million, spent R251 million which equates to 111% in the 2nd quarter of the 2023-2024 financial year. Over expenditure can be attribute to the appointment of 6000 EPWP workers. is due to payment of previous year accruals.
* Administration (Programme 1) has spent R73 million that is equivalent to 111% of its allocated budget, the main reason for over expenditure can be attribute to the payment of the approved 2023 Public Service Coordinating Bargaining Council wage settlement bill as well as Microsoft Licences.
* Agriculture and Rural Development (Programme 2) has spent R86 million that is equivalent to 66% of its allocated budget. The under expenditure as recorded for the 2nd quarter can be attribute to Procurement process and Tender process still unfolding. Business plans for CASP Infrastructure and Landcare conditional grant were approved in the 2nd quarter. Illima/Letsema, CASP Extension Recovery Plan and EPWP incentive conditional grants were approved in the first quarter, and 1st and 2nd tranche payments were made, the Department is projecting an Increase in Conditional Grant spend in the 3rd and 4th quarter of the 2023-2024 Financial year.
* Environmental Affairs (Programme 3) has spent R146 million that is equivalent to 186% of its allocated budget. The main reason for the over expenditure relates to the appointment of 6000 EPWP Workers, the payment of stipends was affected from July 2023. The amounts paid as at the end of the September 2023 for these EPWP workers amount to R79 million.

Expenditure to Date:* Administration (Programme 1) has spent R138 million that is equivalent to 50% of its allocated budget, Agriculture and Rural Development (Programme 2) has spent R190 million that is equivalent to 39% of its allocated budget and Environmental Affairs (Programme 3) has spent R226 million that is equivalent to 77% of its allocated budget.

 * The department’s total allocated budget is R1 066 billion. Overall, the department has spent R304,7 million that is equivalent to 52% of its total allocated budget for 2023/24 financial year. over expenditure can be attribute to payments of stipends and related cost for EPWP Green Army participants.
 |
| **Mitigating measures by the Department / Entity to remedy over / under expenditure** |
| The Department implemented the following mitigating measures to remedy the under expenditure:* Approved Conditional Grant business plans not approved before the start of the new financial year or the first quarter of the financial year.
* The Risk of Procurement process and Tender process still unfolding – The new concurrence Organisational structures addressing the additional mandates of the GDARDE is not yet approved (No Budget available to fund the new structure). The Director and Deputy Director SCM post has been Vacant for more than a year. Inadequate procurement officials, which weakens the capacity and capability of procurement to support the Department Mandate. Poor implementation of Annual Procurement plan, Ineffective and inefficient implementation of SCM process which highly affects service delivery, causing underspending by cancellation of some tenders and delays in tender processes.
* The Department implemented the following mitigating measures to remedy the under expenditure:
* The Department approved the additional 10 positions in SCM directorate and reviewed the structure to include all SCM functions to respond to the increase demand of Department priorities and to comply with SCM Policies and Procedures. These structure changes were included in the Department ‘s concurrence Organisational structure to capacitate the SCM directorate.
* The Department is also in a process to priorities the appointment of Director and Deputy Director SCM.
* All procurement functions are given priority.

The identifiable causes of the overspending are the following:* The over-expenditure under programme 3 related to Environment Empowerment Services. Additional budget of R324 million for the 6000 EPWP WORK was presented to the Premier Budget Committee for the 2023-2024 FY Budget and the advice given was that the Department need to reprioritise internally to cater for the programme. It should be noted that this is an Unfunded Mandate. The Allocated Budget for Goods and Services for the 2023-204 FY is only R468 170, if you deduct the Overhead cost and Conditional Grant of R240 451 that leave the Department with only R227 719 million expenditures on Goods and Services, to implement all elevated priorities. This is not enough to fund these EPWP workers. The Department is in discussion with National Department to take over the 6000 EPWP workers as the Department do not have the Budget to pay for these 6000 EPWP workers, noting the facial constrain Reported by Provincial Treasury indicating that the Department budget needed to be cut further.
* The Department implemented the following mitigating measures to remedy the over expenditure:
* The emerging Risk of the over expenditure was reported to Provincial Treasury, but the Department is also in discussion with National Department to take over these 6000 EPWP workers.
 |
| **The Department / Entity’s achievement with respect to GEYODI responsive budgeting / procurement for the period under review** |
| * The Department for the 2nd quarter 2023/24 did not manage to achieve its procurement target for PWD. The Department however did achieve it target for HDI, Woman and Youth. Although the Department targeted business owned by designated groups (Specific Goals) when request for procurement for </= R1000 000 are made, the department did not achieve the target that was set. Procurement official do target all Designated groups when requesting for Quotations based on the commodities required by the Department, but it is still a problem with PWD and Township own Businesses.

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| **PP Spend for Agriculture and Rural Development (Summary) Financial Year 2023-2024**  |
| **Department** | **Financial Year** | **HDI Spend****R’000** | **% HDI** |  **Female Spend** **R’000** | **% Female** |  **Youth Spend** **R’000** | **% Youth Spend** |  **PWD Spend** **R’000** | **% PWD** |
| Agriculture and Rural Development | 2023/24 Q2 | 54,877 | 82% | 35,809 | 54% | R23,046 | 35% | 263 | 0.4% |
| **BEE Target for 2023/2024**  | **HDI = 80%** |  |  **Female = 40%**  |   |  **Youth = 30%**  |  |  **PWD = 7%**  |   |

 |
| **The Department / Entity’s achievement with respect to township economy / SMME / local procurement for the period under review** |
| The Department for the 2nd Quarter of the 2023-2024 Financial year did not manage to achieve its procurement target for Township spend of 40% only achieved 12%. The Department for the 2nd quarter 2023/24 did not manage to achieve its procurement target for Township spend. Procurement official do target all Designated groups when requesting for Quotations based on the commodities required by the Department, but it is still a problem with Township own Businesses.

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| **TER Spend Report for Agriculture and Rural Development (Summary) Financial Year 2023-2024**  |
| **Department** | **Financial Year** | **Total Spend****R’000** | **% Spend** |
| GDARD | 2023/2024 | 25, 163 |  33% |
| Q2 - Township Spend Target for 2023/2024  | 40% |  |

 |
| **A summary for the period under review with respect to payment of service providers within 15-30 days** |
| The Department during the Second Quarter of the 2023-2024 Financial Year managed to pay 100% of Invoices within 30 days. Furthermore, 97% of all invoices received were paid within 10 and 15 days. The main reasons for exceeding the 10 and 15 days which has been set by the Department were due to the following reasons: The tax clearance certificate of suppliers was not updated on the system causing delays in processing the payment, the payment was only done after the clearance. The SRM system did experienced some glitches causing delays in processing invoices. Additionally, RLS02 submitted after the payment run. Moreover, the Supplier PO was created with a wrong General Ledger (GL) account leading to misallocation which was picked up when the payment disbursed on the exceptions.  |
| **A summary for the period under review with respect to fruitless, wasteful and irregular expenditure** |
| **Fruitless and wasteful expenditure**The Department did not identify any Fruitless and wasteful expenditure during the 2nd Quarter of the 2023/2024 financial year.The previous years fruitless and wasteful expenditure amount to 28,459 million* 1. **Irregular expenditure**
	2. Department did not incur any irregular expenditure during the 2nd Quarter of 2023/24 financial year.

The Department identify/ incurred irregular expenditure for the is 2nd and 3rd Quarter of the 2022-2023 FY. R 2 403 755,00- 28 Agriculture Graduate were irregular appointed and Paid R426 thousand for the Months of September and October 2022. - The Office of the Auditor general also identified Irregular Expenditure in the 2022-203 Financial year Audit amounting to R1,9 million, which was include in the financial statement of GDARDE.  The Department however do have Irregular expenditure amounting to R86.1 million relating to the 2016-2017 and 2017-2018 Financial year, most of these cases were investigated and the Department is in a process for implementing these findings and recommendations as indicated in the Investigation Report. The Department finalised the submission for Condonement and did do the present to the Condonement committee in PT, however PT raised issues that needed to be Adress by the Department before it can be consider for condonement. The rest of these cases must still be considered of consequent management, which requires Risk Management evaluation of each case. |
| **A summary for the period under review with respect to efficiency / value for money in all SCM / procurement processes** |
|  |
| **A summary for the period under review with respect to reduction of fraud and corruption in all SCM / procurement processes** |
| None reported  |
| **A summary for the period under review with respect to ongoing clean audits** |
| None for the quarter under review |
| **A summary for the period under review with respect to spending on conditional grants (where applicable)** |
| The Department has spent R56 thousand of its R 149 million allocated budget for Conditional Grant, which is equivalent to 38% of its allocation. The main reason for the huge under expenditure can be attribute to the CASP and Ilima/Letsema Conditional Grant. R5 million expenditure relates to CASP graduate’s programme stipends and Agricultural advisors, R36 million for goods and services, R13 million for Illima/Letsema and R755 thousand for EPWP incentive grant. Business plans for CASP Infrastructure and Landcare conditional grant were approved by National transferring departments. 1st tranche payments were made during quarter 2. Illima/Letsema, Casp Extension Recovery Plan and EPWP incentive conditional grants were approved, and 1st tranche payments were made. |
| **Program / Sub Programme level financial performance** |
| The Gauteng Department of Agriculture, Rural Development and Environment spent **R304 701 000** of the quarter appropriation (**R273 920 000**) which is the equivalent of **111,24%** of budget for the quarter. The Administration programme spent **R73 135 000** of **R66 112 000** which is **110,62%** of quarter budget. The Agriculture and Rural Development programme spent **R85 792 000** of **R129 340 000** which is **66,33%** of quarter budget and the Environmental Affairs programme spent **R145 774 000** of **R78 468 000** equivalent to **185,78%** of quarter budget. |

# 5 OVERSIGHT ON DEPARTMENT / ENTITY RESOLUTIONS AND PETITIONS MANAGEMENT

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| **5.1 THE DETAILS ON DEPARTMENT / ENTITY RESOLUTIONS MANAGEMENT** |
| **How many Responses / Actions to Resolutions were due by the Department / Entity during the Quarter under review** | **With respect to any and all Resolutions that were due in the Quarter under review, how many Resolutions have been successfully responded to by the Department / Entity** |
| 0 responded to  | 0 were adequately responded to |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to Committee Resolutions** |
| Acceptable – The Department is encouraged to continue with submitting resolutions on time and submitting responses on time too. |
| **With respect to the Resolutions / Action due during the Quarter under review but still overdue, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** |
| Resolutions are due 30th November 2023 |

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| **5.2 THE DETAILS ON DEPARTMENT / ENTITY PETITIONS MANAGEMENT** |
| **How many Responses / Actions to Petitions due by the Department / Entity during the Quarter under review** | **With respect to any and all Petitions that were due in the Quarter under review, how many Petitions have been successfully responded to by the Department / Entity** |
| 0 | 0 |
| **What is the Committees perception of the Quality and Timeliness of Department / Entity responses to referred Petitions** |
| N/A |
| **With respect to the Petitions / Action due during the Quarter under review but not yet responded to by the Department / Entity, what reasons have been provided by the Department / Entity [with mitigating measures to submission]** |
| Petition only send on the 14th November to attend to. Follow up will be made.  |

# 6 OVERSIGHT ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENT

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| **6. THE DETAILS ON DEPARTMENT / ENTITY PUBLIC ENGAGEMENTS** |
| **The steps / measures the Department / Entity has taken to meaningfully involve the public / stakeholders in the course of its work / service delivery, during the period under review** |
| The Department reported the following public engagements for the quarter under review* 14 July 2023: The Department had an Abattoir information Day at the Parktonian Hotel to share information about food Safety and reward abattoir owners that are complying with food safety standards with certificates.
* 18 July 2023: The department Celebration of Mandela Day with a BkB Clean-up campaign to deepen awareness of the Evaton community about litter, sustainable waste management actions and encouraging communities to ensure that their areas always remain litter-free.
* 1 – 9 August 2023: Biotechnology Workshop at The Capital, Menlyn, Pretoria to enhance shared learning and exchange of experiences among regulators in the biosafety framework on selected African countries. GDARDE participated in the National Women’s Day celebration at the Union Buildings, Pretoria under the theme “Accelerating socio-economic opportunities for empowerment of women”. The department shared information about its services to the public and responded to questions raised by the exhibition visitors on the day.
* 15 August 2023: The department held a Famers Dialogue meeting at Vereeniging Hall, to discuss and share information about Brucellosis.
* 18August 2023: The department hosted a Women Entrepreneur Awards Gallagher Convention Centre, Midrand to celebrate and reward women in agriculture and agroprocessing for the role that they play in increasing food security and growing the economy of the province as well as sharing information and new ideas through various speakers at the event.
* 18 August 2023: The department participated in the Premier’s Open Day Sicelo Community Hall where the community was engaged to hear about their challenges and share information about the programmes of the GPG departments. Information regarding how communities could benefit from those programmes was shared.
* 23 August 2023: GDARDE exhibited at the Ntirhisano Programme held at Slovo Park Open ground and Nancefield, to discuss service delivery challenges and as well as finding solutions.
* 31 August 2023: GDARDE and GDSD hosted a Combined Women’s High Tea at the Avianto Conference centre, Muldersdrift in to create a platform for women in business, in particular, those that are in the sectors that cover MEC’s portfolio to share best practices and challenges. (Basically, to learn from each other).
* 14 Sept 2023: The GDARDE exhibited at the Career Exhibition at the Dept of Labour Offices, Bronkhorstspruit to share information about departmental service delivery programmes and how they can benefit various segments of stakeholders can benefit from each of the programmes.
* 15 Sept 2023: GDARDE conducted a GISP workshop at Birchwood Conference Centre, Boksburg to encourage and strengthen symbiotic relations amongst companies.
* 16 Sept 2023: The department celebrated World Clean-up Day/National Clean-up and Recycle with the community of Dobsonville (David Pine Sports Ground) to deepen awareness about litter, sustainable waste management actions and encouraging communities to ensure that their areas are always remain litter-free.
* 27 Sept 2023: The department working together with Mogale City hosted an Arbor Day Celebration at the Munsieville Stadium, Krugersdorp to create awareness about the importance of trees and encourage communities to embark on tree planting projects.
* 29 Sept 2023: The Department held an Agro-processing and Plant production Workshop at Suikerbosarand Nature Reserve, Heidelberg to share information on agro-processing and plant production assist the department to implement the food security programme focusing on the establishment of community, school, and back yard food gardens. The EPWP participants will also implement the Bontle ke Botho Campaign which focuses on clean-ups and tree planting.
 |
| **Summary of Public Education programmes of the Department / Entity during the period under review** |
| The Committee encourages the Department to continue collaborating with various Departments to strengthen the Ward Based Approach through IGR coordination as championed by COGTA. * Environmental awareness through the BkB programme during the clean-ups and tree planting done face to face and through digital media.
* Various physical workshops conducted for various stakeholders including Food safety workshop for farmers and local traders, Abattoir information Day, Famers Dialogue, Biotechnology Workshop, GISP workshop and Agro-processing and Plant production Workshop.
* Public education for food security was also done through digital media and broadcast media interviews that MEC Hlophe participated in.
 |
| **Feedback sessions conducted by the Department / Entity** **during the period under review** |
| No feedback sessions were conducted during the period under review as questions were responded to during the events. |

# 7 OVERSIGHT ON INTERNATIONAL TREATISE / AGREEMENTS

| **7. DETAILS ON IMPLEMENTATION OF INTERNATIONAL AGREEMENTS / TREATIES [Applicable only to OCPOL / OoP]** |
| --- |
|  |

# 8 OVERSIGHT ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT

| **8. DETAILS ON DEPARTMENT / ENTITY GEYODI EMPOWERMENT** |
| --- |
|

|  |  |
| --- | --- |
| **GENDER** | 494 Females |
| **YOUTH** | Number of Job opportunities for youth: Total= 6 249  |
| **DISABLED** | 28 |
| **SENIOR CITIZENS** | N/a |

 |

# 9 OVERSIGHT ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS

| **9. [DETAILS ON DEPARTMENT / ENTITY COMPLIANCE WITH FIDUCIARY REQUIREMENTS]** |
| --- |
| **GPL** | The 2nd Quarterly Report for Vote 11 was submitted to the GPL for further processing  |
| **Auditor General (AGSA)** | Complied by submitting requested information |
| **Public Service Commission (PSC)** | None for the quarter under review |
| **Compliance with relevant fiduciary Legislation [e.g. PFMA]** | Compliant |

# 10 OVERSIGHT ON A CAPACITATED PUBLIC SERVICE

| **10. THE DETAILS ON A CAPACITATED DEPARTMENT / ENTITY** |
| --- |
| **Detailed information on the current vacancies (at all staff levels)** |
| 1 059 |
| **Current vacancy rate** |
| **934** |
| **Current acting positions (at all Staff levels)** |
| 6 |
| **Terminations during the period under review** |
| 19 |
| **New appointments during the period under review** |
|  |
| **Detailed information on the GEYODI / HDI empowerment for the period under review** |
| Total Females in the Department = 494 (52%)SMS Females = 19 (58%)PwD = 28 (2,90%) |
| **Detailed information on any suspensions for the period under review** |
| 0 |

# 11 OVERSIGHT ON ANY OTHER COMMITTEE FOCUS AREA

|  |
| --- |
| **11. THE DETAILS ON ANY OTHER COMMITTEE FOCUS AREA [Only if relevant and applicable]** |
| *Any other area of Department / Entity performance with respect to its Quarter Report that the Committee wishes to report on, which is not already included in any of the above Focus Areas.* |
| N/A |

# 12 COMMITTEE FINDINGS / CONCERNS

| **12. DETAILED COMMITTEE FINDINGS / CONCERNS (on each specific Focus Area analysed above)** |
| --- |
| With respect to underutilized funds, **The Committee is concerned with how the Department expect to utilize the amount in excess of R43 million on Programme 2, with the remaining 2 quarters in the financial year**  |
| With respect to Programme Performance, specifically Programme 2 & 3, the Committee has a major concern with the **failure to align its budget with its planned targets, as under expenditure is continuously observed in Agriculture and Rural Development and Environmental Affairs Programme.** |
| With respect to [Project Management], the Committee is concerned with the **Lack of completion of capital funded projects and spending in goods and services due to tender processes that are being implemented through the open tender system.** |
| With respect to [Project Management], the Committee is concerned with the **IDMS system and its associated SCM processes that still pose challenges and has led to delays in the delivery of infrastructure projects and non-responsiveness to tenders which affects service delivery.** |
| With respect to [Project Management], The Committee noted with concern, that the Department did not manage to achieve its procurement target for People with Disabilities (PWD) in the quarter under review.  |
| With respect to conditional grants], **the Committee is concerned that Department continues to struggle to spend the allocated Conditional Grant which stands at at just 0,38% of year-to-date expenditure and with just two quarters remaining before the financial year is out** |

# 13 COMMITTEE RECOMMENDATIONS

| **13 [DETAILED COMMITTEE RECOMMENDATIONS]** |
| --- |
| **Based on the information set out herein-above as well as the Committee Concerns, the Committee therefore recommends as follows:** |
| **Ref Number** | **Recommendation** | **Type of response expected** | **Due Date** |
| EDEARD/ Q2PR / 001 | Department to provide plans in place to utilize the amount in excess of R43 million on Programme 2, with the remaining 2 quarters in the financial year. | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| EDEARD/ Q2PR / 002 | Department to provide monitoring and evaluation quarterly reports on the progress of how planned targets are achieved and the budget is spent on planned projects.  | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| EDEARD /Q2PR / 003 | Department to provide a feedback report/plan on how DBSA will implement capital funded projects and completion dates.  | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| EDEARD /Q2PR / 004 | Department to provide a feedback report/plan on intervention processes that will address IDMS challenges. Moreover, if there’s alternative methods that can assist with the IDMS processes.  | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| EDEARD /Q2PR / 005 | Provide a quarterly progress report on how SCM engage GEYODI to assist with sourcing more on PwDs owned businesses that provide services in the agriculture sector. | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| EDEARD /Q2PR / 006 | Provide a comprehensive report on the under expenditure incurred on Conditional Grants and the plans to remedy the situation. Also provide a response on the arrangements made with the DALLRD to have conditional grant funds disbursed timeously  | Written Response should be forwarded to the GPL on the resolution as adopted by the House | 31/01/2024 |
| Progress reports on:1. Finding by the Auditor General that relates to irregular expenditure in the 2016/17 and 2017/18 financial years
2. Provide a progress report on how they will promote good waste management including diversion of waste from landfills by maximising separation at source, recycling and contributing to sustainable employment;
3. Progress report on the poor implementation of Annual Procurement plan, Ineffective and inefficient implementation of SCM process which highly affects service delivery, causing underspending by cancellation of some tenders and delays in tender processes.
4. Provide response on the arrangements made with the DALLRD to have conditional grant funds disbursed timeously
5. provide the committee with an update on the status of the African Swine Flu in the province. The update should further explain measures in place to help improve biosecurity measures in the province but especially, means to help in conscientizing small-scale livestock farmers about the importance of this.
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|  |

# 14 ACKNOWLEDGEMENTS

The Portfolio Committee on Environment, Agriculture and Rural Development wishes to thank the MEC for Social Development and Agriculture and Rural Development, Ms Mbali Hlophe, the Head of Department, Ms M Gasela and her team of officials. Chairperson, Ms Refiloe Kekana further wishes to acknowledge and express her gratitude to the Honourable Members of the Portfolio Committee on Environment, Agriculture and Rural Development Members Mr Mpapa Kanyane, Mr T Ndlovu, Ms F Hassan, Ms A Ndlovana, Ms J Miller, Ms B Engelbrecht, Mr I Mukwevho and Ms N Radebe. Further appreciation goes to the alternate Members of the Committee namely Members: Mr K Mazwi, Mr S Dos Santos . It is an honour to lead such a hard-working team. Furthermore, the Portfolio Committee would like to express appreciation for the contribution of the following support staff members: Group Committee Coordinator Mr T Bodibe, the Committee Researcher Mr B Mabuza, Committee Coordinator Ms L Mampe, Administrative Assistant; Ms N. Mngadi, Hansard Recorder Ms R Moremi, Senior Information Officer, Ms Jenny Kiewitz, Communications Officer; Mr S Sibiya, Service Officer Ms Busisiwe Nhlapo.

# 15 ADOPTION

In terms of Rule 117 (2)(c) read together with 164, the Environment, Agriculture and Rural Development Portfolio Committee presents the Oversight Report on the 2nd Quarterly Performance Report of the Gauteng Department of Agriculture and Rural Development for the 2023/24 financial year and recommends its adoption.