

REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS

OVERSIGHT VISITS TO PROJECTS OF THE DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS - NKOMAZI LOCAL MUNICIPALITY

1. INTRODUCTION

The Mpumalanga Provincial Legislature (the Legislature) has a responsibility in terms of Section 118 of the Constitution of the Republic of South Africa, Act 108 of 1996, (the Constitution) to facilitate public involvement in its legislative and other processes. Section 115 (a) and (b) of the Constitution empowers the Legislature to (a) “*summon any person to appear before it to give evidence on oath or affirmation, or to produce documents*” and subsection (b) states that “*the Legislature or any of its Committees may require any person or provincial institution to report to it*”.

This is a report on the oversight visits that were conducted by the Portfolio Committee on Agriculture, Rural Development, Land and Environmental Affairs (the Committee) to projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs (the department) on 03 August 2017. The report seeks to inform the House on the activities that were taken during the oversight visits..

2. METHOD OF WORK

The Committee conducted oversight visits to projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs on 03 August 2017. The oversight visits were conducted in the Nkomazi Local Municipality.

3. OBJECTIVES OF THE OVERSIGHT VISITS

- a) **The following objectives informed the oversight visits to the projects of the department:**

- To evaluate the progress made on projects reflected in the Annual Performance Plan (APP) implemented by the department.
- To determine the extent to which public funds are efficiently, economically and effectively utilised by the department in the implementation of its projects;
- To interact with project beneficiaries in order to receive their concerns.
- To fast-track service delivery of core services to the communities within the municipality in which the department has funded projects.
- To assess the progress made in implementation of the Fortune-40 programme.
- To assess the functionality of the Casteel Animal Clinic.

4. OVERSIGHT ON GOVERNMENT PROJECTS

4.1. NKOMAZI WEST MAIZE MILLING PROJECT

The Nkomazi West Maize Milling Project is located at Magogeni under Mhlaba Traditional Authority in the Nkomazi Local Municipality about 50km South of Malelane. The project beneficiaries own the land through a P.T.O obtained from the Local Tribal Authority and is not yet registered as a legal entity. The project beneficiaries include about 500 community members (beneficiaries) who are maize producers in the Nkomazi West area.

4.1.1. Project Background

The Nkomazi West maize mill is strategically situated to service the three (3) traditional authorities (Matsamo, Mhlaba and Mawewe) in Nkomazi West to benefit all maize producers in the area. The most targeted areas depending on maize production are Mhlaba and the Mawewe traditional authorities. Currently the maize producers in the area process their maize in Swaziland.

The project started in 2011 and was put on hold and there was no progress since March 2013. Project beneficiaries confirmed that the construction of the mill was put on hold and the department was not responding when enquiries were made with regard to the completion of the mill and the equipping of boreholes. The department reported that a fence with palisade

was installed on 2ha of land in the 2013/14 financial year. The roof was damaged and the palisade fence is destroyed. The Jojo tank that was installed was also stolen. During the oversight visit conducted in September 2016, it was found that there was no work done on site. The department reported that a tender for the construction of the project had been issued and closed in August 2016. However, the tender was not awarded. The project was continually vandalised, which was affecting the progress that had already been made on site in the previous financial years.

District and Municipality	Ehlanzeni District Municipality; Nkomazi Local Municipality
Village name and ward	Mhlaba communal land, Ward 18
Land Ownership	Communal Land
Number of hectares	2ha
Project activities	Maize milling facility
Source of funding	DARDLEA
Beneficiaries	500 maize farmers

4.1.2. Funding

1. 2011/12 Financial Year – Phase 1

R 1 701 000.00 spent for construction of a steel structure, borehole, guard house, palisade fencing (2ha), weigh bridge, water tank and access road.

2. 2016/17 Financial Year – Phase 2

R 741 000.00 spent for completion of the milling structure and water reticulation.

3. 2017/18 Financial Year – Phase 3

R6 000 000.00 was budgeted for the supply, delivery and installation of milling plant (machinery) and silos.

The department has spent an amount of **R 2 442 000.00** on the project to date and an amount of **R6 000 000.00** has been budgeted for the current year.

4.1.3. Progress to date

The housing structure for the milling machines has been completed and fenced off with palisades. A borehole has been drilled, a weighbridge and an access road has been graded.

4.1.4. Challenges

1. There were delays in completing the project since its inception in 2011.
2. Electricity remains a challenge for the project.
3. There is no specific date when the department is planning to install the maize milling machines in the project.

4.1.5. Progress made in the implementation of House Resolutions.

Resolution	Department's responses	Progress as at September 2016
<p>Submit a comprehensive report on the support that was provided to the project. In addition, the department must submit a turnaround strategy on how the project will be resuscitated.</p>	<p>The department indicated that departmental engineers visited the project and conducted an assessment of the work that still needs to be conducted. The department indicated that the project will be prioritised for funding in the 2016/17 financial year.</p>	<p>The project has been budgeted R1 289 572.00 in the 2016/17 financial year for construction of wall plates and the silo. The department reported that the project will be completed in 2017/18 financial year.</p>
<p>Submit a report on the type of misconduct that the officials were charged with. The report must clearly state the outcome of the disciplinary hearings and the amount involved. In addition, the department must submit a progress report on the status of all the cases.</p>	<p>The department indicated that the matter was erroneously reported during the oversight visit of the Committee as no official was charged with misconduct.</p> <p>It was also indicated that the project was planned as a multi-year project, but the department started experiencing financial challenges which affected the</p>	<p>Project was funded in the 2016/17 financial year for completion of the outstanding work.</p>

	progress in the project.	
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4.1.6. Inputs by the Project Beneficiaries

The Project Beneficiaries raised the following:

1. A concern on the delay in the finalisation of the project and the vandalism of the infrastructure.
2. The expected completion date of October 2017 as reported by the department seems to be unrealistic as the project has been at a standstill for so many years.
3. They reported that the department was making promises that were not kept.
4. They requested the department to ensure that the infrastructure is properly maintained.

4.1.7. Inputs from the Tribal Authority

- (i) The Tribal Authority reported that at some point they had to take responsibility of safe guarding the project as the department was not doing that.
- (ii) A concern was raised that the department has been making empty promises and they have been waiting for the completion of the project for a long time.

4.1.8. Deliberation during the Oversight Visit

The Committee deliberated with the department and the project beneficiaries as follows:

- i. A commitment was made that the Committee will ensure that the project is completed by the end of October 2017 as committed by the department.
- ii. A concern was raised that the seven (7) years it has taken the department to complete the project was not acceptable.
- iii. The department was requested to submit a plan on steps that will be taken to ensure that the project is completed by the end of October 2017. The plan was submitted and is reflected on 4.1.9 below.

4.1.9. Plan to complete the project

Items	Current Status	Planned Activities	Completion Date
Security services	There are no security officers on site and this can lead to vandalism	Three (3) site keepers have been placed at the site and currently rendering the expected services	07 August 2017
Electricity installation	The project does not have electricity	Installation of transformer and connection by Eskom	Dependent on Eskom (assessment by Eskom awaited)
Installation of the silos, mill equipment and equipping the drilled borehole	The structure is constructed but the mill is not operational as the borehole has not been equipped, silos and mill equipment not installed.	Bid advertisement for the installation of the silos, mill equipment and borehole has been published on 07 August 2017	Appointment of the suitable bidder is expected before 15 September 2017 . The expected completion date is 27 October 2017

4.1.10 Findings

After the deliberations, the Committee made the following findings:

- a) The project started in 2011 and the expected completion date is 27 October 2017.
- b) The project will partner with Lethabo Milling from the Free State. Project beneficiaries will have more than 50% stake of the operational entity.
- c) A market has not yet been established for the project.

4.1.11. Recommendations

- a) The department must complete the project on or before 27 October 2017 and hand it over to the beneficiaries for their use. Furthermore, the department must in future properly plan for projects to avoid fruitless and wasteful expenditure.
- b) The department must closely monitor the project to ensure that project beneficiaries benefit from the agreement.
- c) The department must establish and secure a market for the project.

4.2. INTAMAKUPHILA NKOMAZI YOUTH COOPERATIVE

4.2.1. Project Background

Intama Kuphila Nkomazi Youth Primary Co-Operative was identified as beneficiaries of the Fortune-40 programme. The co-operative comprises of ten (10) members. Initially the department identified Matabula farm which was situated in the old magistrate offices. The department relocated the project to Magogeni after conducting its assessments and realising that the area was not suitable for farming.

District and Municipality	Ehlanzeni District Municipality; Nkomazi Local Municipality
Village name and ward	Mhlaba communal land, Ward 18
Land Ownership	Communal Land
Number of hectares	10ha
Project activities	Crop production
Source of funding	DARDLEA
Beneficiaries	10

4.2.2. Funding

1. 2015/16 Financial Year

R 1 479 143.12 was spent on the delivery of 4 tunnels (green houses).

2. 2016/17 Financial Year

R 4 214 000.00 was spent on:

- Construction of greenhouses
- Construction of park homes for beneficiaries
- Drill of a borehole which is still to be equipped
- Supply and delivery of a tractor with implements
- Payment of a monthly stipend for beneficiaries (R2000 each per month)
- Supply and installation of fencing for 10ha

3. 2017/18 Financial Year

R5 000 000.00 was budgeted for furnishing of park homes, electricity connection, equipping of a borehole, installation of the irrigation system and installation of a cooling system for tunnels and production inputs for the crops to be planted.

The department has spent an amount of **R 5 693 143.12** on the project to date and an amount of **R5 000 000.00** has been budgeted for the current year.

4.2.3. Progress to date

The department reported the following progress on the project:

- The Incubator has been appointed.
- Four (4) tunnels (green houses) have been constructed
- Sited and drilled a borehole, still to be equipped
- A tractor with implements were procured
- Fencing of 10 hectares

4.2.4. Inputs by the Project Beneficiaries

The Project Beneficiaries raised the following:

- a) A concern that the R 2000.00 stipend paid to them was insufficient as they spend most of their money on transport. This discourages them to continue on the project.
- b) The security personnel were not paid on time by the department and as a result were not continuing rendering the services on site and project beneficiaries feared for the safe guarding of the assets in the project. They requested the department to appoint another security company.
- c) The tractor was removed from the project and beneficiaries were not given a reason for the removal.
- d) The park homes are too small and too hot. They requested the department to at least provide them with Wendy houses instead.
- e) There is poor communication between the department and the project beneficiaries. The project beneficiaries indicated that the department's officials are lazy to monitor the progress in the project. It is alleged that when government officials come to the project, they mistreat the project beneficiaries and tell them that government is doing them a favour through the Fortune-40 project.
- f) The project beneficiaries reported that they requested electricity in April 2015, but to date there is no electricity on site.

4.2.5. Inputs from the Tribal Authority

- a) The Tribal Authority reported that the land was given to the department for the benefit of the youth around the area.
- b) They reported that they were not aware of the project and the youth involved in it.

4.2.6. Deliberation during the Oversight Visit

The Committee deliberated with the department and the project beneficiaries as follows:

- a) The Committee condemned the behavior of the officials of the department as it was reported that they were mistreating the beneficiaries. The HOD committed that the matter will be addressed.
- b) Members of the Committee expressed their disappointment that the project is in its third year of implementation but to date there is no production taking place at the farm.
- c) The department was requested to submit a plan on how the project will be resuscitated. The plan was submitted and is reflected on 4.1.9 below.

4.2.7. Plan to complete the project

Items	Current Status	Planned Activities	Completion Date
Security services	There are no security officers on site due to delays on salary payments.	The security challenge has been resolved and the services are currently rendered on site.	31 July 2017
Equipping the drilled borehole	The drilled borehole is not equipped	Equipping to commence by 31 August 2017	Testing of the borehole has been completed on 05 August 2017.
Electricity installation	The project does not have electricity	Installation of transformer and connection by Eskom Procurement of a diesel generator whilst waiting the installation of electricity by Eskom	Dependent on Eskom By end of October 2017
Park homes	The current park homes are made of steel and the	Installation of new wendy houses to augment the	31 October 2017

	heat inside is unbearable	steel park homes Installation of cooling units for container houses	30 November 2017
Ploughing and planting	The 2.5ha have been ploughed and irrigation system installed in July 2017	Ploughing of the remaining 2.5ha	30 September 2017

5. Findings

After the deliberations, the Committee made the following findings:

- 5.1. The project is in its third year of implementation but to date there is no production taking place at the farm.
- 5.2. There is poor communication between the department and the project beneficiaries.
- 5.3. The project has been budgeted R5 000 000.00 for the 2017/18 financial year.
- 5.4. The municipality is not involved in the project activities.
- 5.5. The Tribal Authority is not aware of the project and the project beneficiaries.

6. Recommendations

- 6.1. The department must attend to all the challenges that are affecting the project and ensure that they are addressed as per the plan submitted to ensure that the project benefit the youth concerned.
- 6.2. Strengthen communication between the department and project beneficiaries and ensure that officials of the department treat beneficiaries with respect. .
- 6.3. Spend the budget as per the plan to ensure that there is no overspending on the project.
- 6.4. Involve the local Councillor in all project activities and report to the Ward Committee on a monthly basis.
- 6.5. Introduce the project beneficiaries to the Mhlaba Tribal Authority and keep them updated on the project activities.

7. CONCLUSION

The Chairperson of the Portfolio Committee, Hon BD Dube, extends his appreciation to Members of the Committee and the support staff of the Legislature for their participation during this oversight visit to the projects of the department in enhancing the oversight role of the Legislature. The Portfolio Committee tables this report to the House for adoption with its recommendations.



HON. BD DUBE (MPL)

05 / 09 / 17

DATE

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, LAND
AND ENVIRONMENTAL AFFAIRS**

