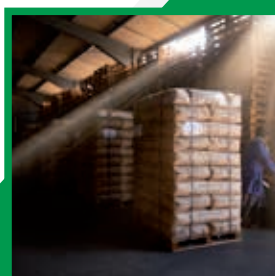
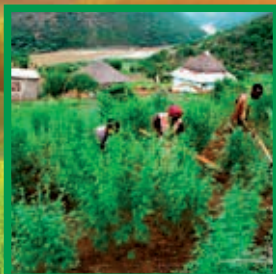




Province of the
EASTERN CAPE

RURAL DEVELOPMENT AND
AGRARIAN REFORM



2020-25 Strategic Plan

SIYAKHAWULEZA

DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM
STRATEGIC PLAN
2020 – 2025



Province of the
EASTERN CAPE
RURAL DEVELOPMENT AND
AGRARIAN REFORM

**“Everything Can Wait, but not Agriculture:
Together Commercialising Agriculture and Creating Wealth,
LILIMA LABANTU”**

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EXECUTIVE AUTHORITY STATEMENT



It gives me pleasure to table the Strategic Plan for the Department of Rural Development and Agrarian Reform.

This Strategic Plan is premised on key government medium-term priorities that are informed by the National Development Plan (NDP) and the Provincial Development Plan (PDP) and will contribute towards the strategic priority of stimulating innovative and growing economic with an enabling infrastructure network. Our strategy contributes to the PDP which seeks to prioritise the development of high value agriculture as the bedrock for the development of rural sector and promotion of rural livelihoods.

To place this department as catalysts for radical socio-economic transformation, a high level of rigour will be applied to deliver credible and streamlined service to our people in this sixth administration. As we enter the last decade of the National Development Plan (PDP), we will double our efforts to accelerate our implementation of the Provincial Development Plan (PDP) initiatives. As we accelerate the implementation of our programmes, in this term, we will change our delivery methodology and operating model.

As we have already started with consulting with all stakeholders whilst developing the 5-year strategy, we will focus on alignment of purpose and delivery frameworks between the department, its agencies and various other agencies charged with agriculture and rural development mandates at municipal level. Various stakeholders clearly shared to their aspirations with us and suggested points of convergence. We intend not to fail them.

To achieve our commitments, we will have to reconfigure the operating model of the department and its agencies to support the different tiers of our farming communities that will bring greater accountability for organizational performance with greater emphasis of return to investment in both social and economic outcomes. I commit the Department to implement the political mandate of our government to grow the economy, fight poverty, unemployment and inequality. Transformation of the economy which is in the main favours established business has to be implemented.

With “2020 – 2024 as the era of job creation and socio-economic development”. As contribution to this clarion call, DRDAR will coordinate all its stakeholders under the theme “Everything Can Wait, but not Agriculture: Together Commercialising Agriculture and Creating Wealth, LILIMA LABANTU”.

The Department is committed to implementing the Rural Development Strategy pillars through effective coordination of the various sectors of the economy as well as to make a meaningful contribution to specific pillars such as land reform, agrarian reform & food security, and non-farm rural economy thus enhancing the quality of life in rural communities. The mega project approach enshrined in the Agriculture Policy Action Plan (APAP) provides a critical consideration for agro-processing and value addition which shall influence the marketing of agricultural products.

This is the third year of implementing the Agricultural Economic Transformation Strategy ensuring increased crop and animal production. At the centre of the Strategy implementation are farmers (subsistence & smallholder farmers) whose capabilities are being increased, making them independent commercial farmers in their own right. The agricultural sector has been severely affected by drought. Food prices are increasing and this threatens food security. Poor communities and those residing in rural areas are under pressure to spend the higher proportions of their income on food. The effect of the drought on the economy is exacerbated by the weak rand and high interest rates. The department will continue to conduct surveillance throughout the province in order to ensure readiness when weather conditions change.

In line with the theme of the governing party of “growth South Africa together”, the Department has adopted four Outcomes that will drive the strategy implementation. The MTSF priorities are derived from the NDP, Vision 2030. DRDAR’s contribution to the MTSF and her contribution in growing South Africa together, will be based on the four outcomes.



HON MEC N. METH
Executive Authority
Department of Rural Development and Agrarian Reform

ACCOUNTING OFFICER STATEMENT



The Eastern Cape rural areas are characterized by greater poverty and inequality with many households trapped in the vicious cycle of poverty. The challenge that we are faced with is to combat the marginalization of the poor and provide access to resources and development.

The Premier has set clear ground rules that must be adhered to, “We must talk less, do more and open lines of communication with our people”. In short, we have to get things done. In so doing we need to understand that the path to a prosperous future lies in hard work, creativity, knowledge and equity. The Province is enriched natural agricultural resource of which some portions have been historically underdeveloped.

The Eastern Cape Agricultural Economic Transformation Strategy (AETS) will be implemented fully to ensure that it support farmers (smallholder farmers and subsistence farmers) to venture into commercial production for secured markets by working together with development industry strategic partners in various commodities. The government will invest resources towards the implementation of the strategy. These partnerships will ensure that higher levels of production is achieved, ensure skills transfer and support producers. The Development Finance Institutions (DFIs) such as the Land Bank will play a critical role in providing farmers with a package of support using blended finance where the bank and government will provide loans and grants respectively.

Through Food Security initiatives, DRDAR is tasked with the huge responsibility of creating wealth in rural and urban areas so that there is access to food and nutrition. This responsibility emanates from the global Sustainable Development Goals (SDGs), the Comprehensive Africa Agriculture Development Programme (CAADP), the Constitution of the Republic of South Africa (Act 108 of 1996), the National Policy on Food and Nutrition Security for the Republic of South Africa, the provincial Food Production Policy of DRDAR and the National Development Plan (Vision 2030).

There is also the ever-present threat of persistent El Nino phenomenon that has been predicted for the current production season. The effects of climate change make the task of ensuring food security in the country a very challenging endeavour. The South African Rand, has throughout the current year depreciated by 14% against the US Dollar and other major global currencies. Coupled with this, fuel price has been incessantly rising with devastating results in the price of goods and services in the economy through imported inflation. The poorest of the poor are being hit the hardest because they spend a large portion of their income on food. Currently, food inflation is a reality in South Africa.

During the fifth administration the department was able to take a paradigm shift from implementing programmes and projects in support of food security, by introducing in 2017/18 financial year commercialisation of agriculture as a new trajectory towards growth and employment creation in the sector. This initiative resulted in working closely with commodity development entities in order to increase production and up-scale black producers to earnings in their businesses. The approach was to sign Service Level Agreements (SLAs) with each industry development partner.

The department's strategic focus in the next five years in support of the government's seven priorities are:

- Increasing efficiencies and effectiveness of agricultural production and marketing.
- Intensification of agricultural commercialisation.
- Development of norms and standards on provision of agricultural infrastructure
- Exploiting development opportunities to increase entire value chain economic activities.
- Development of a Funding Model to enhance primary production by establishing a commercial agriculture and innovation Fund in partnership with the Land Bank and other commercial financial institutions.
- Identification of the niche market in government Nutrition Programme whereby farmers will find a space to consistently supply good quality produce at the right time.
- Participate fully in the one-plan District Development Model using the OR Tambo District as the model in the Province.

The strategic focus of this department is to provide food security and grow the economy through the commercialisation of Agriculture. We need to create a balance between food security and the commercialization of Agriculture. Last but not least, we need to standardise the support to subsistence and smallholder farming to graduate them to Commercial farming.

The process of re-engineering (including staff, systems and resources) will be undertaken to ensure that there is an organisational structure and staffing fit-for-purpose. A new culture and high ethics will ensure that the department is guided by prescripts which allow for the high performance in all levels.

The government's role is to create a conducive environment for farmers to farm.

All teams of managers, employees and organised labour are committed to uplift the Eastern Cape to a new level of economic trajectory that will ensure economic growth and job creation.



MR B. DAYIMANI
(Acting) HEAD OF DEPARTMENT
DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Rural Development and Agrarian Reform under the guidance of Hon. MEC Nomakhosazana Meth.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Rural Development and Agrarian Reform is responsible.
- Accurately reflects the Impact and Outcomes which the Department of Rural Development and Agrarian Reform will endeavour to achieve over the period 2020 - 2025.

Ms B Mabele

Programme 1: Administration

Signature:  _____

Mr F Hobson

Programme 2: Sustainable Resource Management

Signature:  _____


Mr M Macanda

Programme 3: Farmer Support and Development

Signature:  _____


Dr C Mnqeta

Programme 4: Veterinary Services

Signature:  _____

Mr WM Goqwana Coetzee

Programme 5: Research and Technology Development

Signature:  _____

Mr LS Musisi

Programme 6: Agricultural Economic Services

Signature: 


Ms N Moiloa

Programme 7: Structured Agricultural Education and Training

Signature: 


Mr AK Zono

Programme 8: Rural Development

Signature: 

Mrs N Tungata

Chief Financial Officer

Signature: 


Mr BB Magwentshu

Chief Director: Strategy Development and Management

Signature: 

Mr B. Dayimani

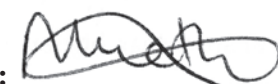
Accounting Officer (acting)

Signature: 

Approved by:

Hon MEC N Meth

Executive Authority

Signature: 



PART A

OUR MANDATE



I CONSTITUTIONAL MANDATE

The mandate of the department is derived from section 27(1) (b) and 2 of the Constitution: “take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of the right (of everyone) to have access to sufficient food”. The Eastern Cape Provincial Department of Rural Development and Agrarian Reform is an integral part of the South African Public Service established in terms of section 197 of the Constitution and read with section 7 (1) and 7 (2) of the Public Services Act of 1994.

The South African Constitution section 197 (1) indicates that, within public administration there is public service for the Republic which must function and be structured. It compels the public service to execute the policies of the government of the day. The South African Constitution requires government departments to plan for their service delivery programmes.

The South African Constitution divides socio-economic development services into three spheres of government: the national sphere, the provincial sphere and the local sphere. The mandate of the Provincial Governments is to ensure service delivery and support to the Local Sphere of Government.

The mandate of the department is to:

- Support and promote enterprise development in rural areas using Eastern Cape Rural Development Agency (ECRDA) as the implementing agent for High Impact Projects (HIPS) which provide high returns on investment;
- Facilitate Rural Development which is planning and alignment of rural development activities, promotion of social facilitation, initiating capacity building programmes, support of rural business and non-farm rural activities, increased rural participation and social mobilisation and attracting rural investments and partnerships, referrals, monitoring, evaluation and reporting;
- Create short term jobs (agricultural infrastructure) through the Expanded Public Works Programme (EPWP) Integrated Grant for Provinces and the Comprehensive Agricultural Support Programme (CASP) conditional grant;
- Increase crop production and improve production;
- Apply technologically advanced diagnostic procedures for diagnosis and research on animal diseases of economic importance to the province and zoonotic diseases that may pose a risk to human health;
- Support human capital development initiatives in order to boost skills in the agricultural sector in the province through the implementation of the Agriculture Education and Training Sector Strategy;
- Expand on the research support to commercial and emerging farmers to boost productivity and enhance access to marketing services; and,
- Provide agricultural training to commercial farmers, emerging farmers, agricultural students and people residing in rural areas.

In order to achieve the mandate, the following drivers for change have to be embraced:

- Work with the established agribusiness to ensure that the sector continues to increase its contribution to export earnings.
- Develop a sustainable agriculture strategy to mitigate the impact of climate change.
- Facilitate investment in Information Communication Technology (ICT) in agriculture.
- Allocate 30% of the conditional grant funded projects to youth.
- Allocate at least 30% of government's procurement spend to small businesses and cooperatives.

2 LEGISLATIVE AND POLICY MANDATES

The Department's mandates are informed by the following Acts:

Agricultural Pests Act, 1983	Act No. 36 of 1983
Agricultural Research Amendment Act, 2001	Act No. 27 of 2001
Animal Diseases Act, 1984	Act No. 35 of 1984
Animal Improvement Act, 1998	Act No. 62 of 1998
Animal Protection Act, 1962	Act No. 71 of 1962
Broad Based Black Economic Empowerment Act, 2003	Act No. 53 of 2003
Basic Conditions of Employment Act, 1997	Act No. 75 of 1997
Constitution of the Republic of South Africa, Act 108 of 1996	Act No. 108 of 1996
Conservation of Agricultural Resources Act, 1983	Act No. 43 of 1983
Division of Revenue Act, 2009	Act No. 12 of 2009
Eastern Cape Rural Finance Corporation, Act 1 of 2012 Amended by Act of 2012	Act No. 9 of 1999 as
Employment Equity Act, 1998	Act No. 55 of 1998
Engineering Profession Act, 2000	Act No. 46 of 2000
Fencing Act, 1963	Act No. 31 of 1963
Fort Cox Interim Provision Act, 2015	Act No. 7 of 2015
Intergovernmental Relations Framework Act, 2005	Act No. 13 of 2005
Land Tenure Rights Act, 1991	Act No. 112 of 1991
Livestock Improvement Act, 1997	Act No. 25 of 1997
Marketing of Agricultural Products Act, 1996	Act No. 47 of 1996
National Youth Policy (NYP) 2015-2020	Act No. 54 of 2008
Occupational Health and Safety Act, 1993	Act No. 85 of 1993
Preferential Procurement Policy Framework Act, 2000	Act No. 5 of 2000
Protection of Personal Information Act, 2013	Act No. 4 of 2013
Promotion of Administrative Justice Act, 2000	Act No. 2 of 2000
Promotion of Access to Information Act, 2000	Act No. 2 of 2000
Public Finance Management Act, 1999	Act No. 1 of 1999
Public Service Act and Regulations, 1994	Act No. 103 of 1994
Skills Development Act, 1998	Act No. 97 of 1998
Spatial Planning and Land Use Management Act, 2013	Act No. 16 of 2013
Fort Cox Interim Provision Act, 2015	Act No. 7 of 2015
Subdivision of Agricultural Land Act, 1970	Act No. 70 of 1970
The Agriculture Development Act, 1999	Act No. 67 of 1999
The Animal Identification Act, 2002	Act No. 6 of 2002
The Meat Safety Act, 2000	Act No. 40 of 2000
Treasury Regulations issued in terms of PFMA Act, 1999	Act No. 29 of 2000
Veterinary and Para-Veterinary Professions Act, 1982	Act No. 19 of 1982

3 INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE-YEAR PLANNING PERIOD

The National Development Plan is the overarching government strategic vision and plan. The department and private sector will continue to form partnerships to stimulate economic growth in rural areas and to make land reform successful. The lives of the rural poor ought to change, as they should have access to basic services enabling them to live healthy lifestyles and be skilled. With land reform, job creation and poverty alleviation as anchors, a basket of activities to stimulate growth and development is proposed, for example the expansion of irrigated agriculture, supported by dry-land production where practicable. Furthermore, the department also aims to contribute to the NDP by implementing various strategies to improve the production efficiencies for smallholder producers. These include organising smallholder producers into commodity-based organisations, commercialisation, increasing their collective bargaining power in negotiations for production inputs and markets, as well as providing support and training to SMMEs.

The Provincial Development Plan (PDP) advocate for a shift in mind-set is needed from agriculture as a low-potential and low-income sector, to agriculture with the potential as a high value-adding and technologically-empowered sector focusing on the full value-chain proposition ultimately penetrating into global markets – the youth in the Eastern Cape foresee agriculture as a dead-end without realising the real potential for high-tech commercial agriculture hence there a need to promote youth participation in agriculture. DRDAR will ensure accelerated agricultural development and food security for all, increase the total area of land under agricultural production and the number of people, households and enterprises that are active in the agriculture sector.

The Provincial Medium Term Strategic Framework priorities, sector priorities, Integrated Development Plans (IDPs), Spatial Development Frameworks and the District Development Models will be used as the foundation for effective roll-out of rural development programmes as well as the commercialisation of the agricultural sector.

National Youth Policy is a vehicle for operationalization of a decent exit to youth agricultural graduates to be capacitated through incubation to become adequately qualified youth agricultural entrepreneurs thereby addressing and promoting the Young Producers and Entrepreneurs Strategy (YPES).

Partnership Policy will be implemented to provide guidance on how partnerships are initiated and supported through which investment is realised to improve black farmers' productivity and competitiveness and increase sector contribution to Gross Domestic Product (GDP), employment and food security.

Mechanisation Policy to support developing farmers to access mechanisation services, to enhance levels of production, to plant larger areas, harvest, and process greater volumes of agricultural products.

Food Production Policy emanates from the Bill of Rights enshrined in the Constitution where it is stated that “every citizen has a right to have access to sufficient food, water and social security” and that “the State must take reasonable legislative and other measures, within its available resources, to achieve the realisation of this right”. The Policy provides a framework for the fulfilment of this Constitutional imperative, and will serve as a guide to DRDAR in pursuit of food and nutrition security at every level.

4 RELEVANT COURT RULINGS

The court ruling as per Case CCT 108/17 declared that, section 14 of the Constitution is invalid to the extent that they make the use or possession of cannabis in private by an adult person for his or her own consumption in private a criminal offence. Furthermore, constitutionally invalid to the extent that they prohibit the cultivation of cannabis by an adult in a private place for his or her personal consumption in private.

Given this court ruling the department will conduct research and investigate the use of cannabis for medicinal purposes within the scope of the law.

PART B

OUR STRATEGIC FOCUS



1 VISION

A sustainable agricultural sector, integrated rural development and food security for all.

2 MISSION

To improve agricultural production to stimulate economic development, food security and integrated rural development through:

- Integrated rural development;
- Agrarian reform;
- Sustainable livelihoods;
- Support land reform for agricultural production;
- Facilitating partnerships to commercialise and transformation of the agriculture sector;
- Innovation, research, technology development to increase productivity and competitiveness; and
- Access to opportunities for youth, women and other vulnerable groups

3 VALUES

Ethical leadership: We lead with respect for ethical beliefs and values and for the dignity and rights of others.

Honesty & Integrity: Commitment to be transparent with all stakeholders.

Innovation: Commitment to keep abreast of new developments in relevant fields of expertise and be innovative in carrying out the mandate of the Department.

Excellence: We are committed to exceeding our customer's expectations for quality, responsiveness, efficiency and service excellence.

Working hand in hand "Bambisanani": We believe that the sum of our collective efforts will be greater than the total of our individual efforts.

Mutual respect: We value each other's contribution as we seek to realise the vision and goals of the Department.

People centeredness: "Bonke abantu esisebenza nabo, siya kusebenzisana nabo ngokufanelekileyo nangokulinganayo".

4 SITUATION ANALYSIS

In 2015, the United Nations (UN) adopted the 17 Sustainable Development Goals which were pronounced with the objective to broaden the scope of development away from the former eight (8) Millennium Development Goals and embrace a much focused development trajectory. The second goal aims at ending hunger, achieve food security and improved nutrition and promotion of sustainable agriculture. The UN maintains that agriculture is the single largest employer in the world, providing livelihoods for 40 percent of today's global population. It is the largest source of income and jobs for poor rural households. This sector requires a new thinking and approach in the context of global economic conditions and in particular, the sluggish growth of the South African economy.

The NDP indicates that the agricultural sector in the country has the potential to expand by one (1) million hectares and create one (1) million jobs by 2030. However, the South African agricultural sector's contribution to the economy is currently shrinking and has not been able to unlock its growth potential nor deliver according to expectations in terms of rural development, food security and job creation.

The Eastern Cape Agricultural Economic Transformation Strategy had a positive influence that has led to increased agricultural contribution to GVA from 1.3% (2014) to 1.7% (2018). Employment in the sector also increased from 71 000 in 2014 to 97 000 (6.9 % share of employment in the province) in 2018. However, employment has declined from 97 000 in 2018Q2 to 88 000 in 2018Q3.

Table 1: Eastern Cape sector growth and contribution to GDP for 2017Q3, 2018Q2 & 2018Q3

EASTERN CAPE INDUSTRY	2017Q3		2018Q2		2018Q3	
	R million	Share %	R million	Share %	R million	Share %
Agriculture	3 682	1.7	3 456	1.6	3 611	1.7
Mining	679	0.3	662	0.3	643	0.3
PRIMARY SECTOR	4 361	2.0	4 118	1.9	4 254	2.0
Manufacturing	29 012	13.6	28 861	13.5	29 393	13.7
Electricity	2 465	1.2	2 492	1.2	2 484	1.2
Construction	8 296	3.9	8 264	3.9	8 204	3.8
SECONDARY SECTOR	39 772	18.6	39 617	18.5	40 080	18.6
Trade	41 540	19.4	41 463	19.4	41 738	19.4
Transport	18 769	8.8	18 678	8.7	18 933	8.8
Finance	44 085	20.6	44 482	20.8	44 661	20.7
Community services	16 094	7.5	16 207	7.6	16 231	7.5
Government services	49 076	23.0	49 291	23.0	49 416	23.0
TERTIARY SECTOR	169 565	79.3	170 120	79.5	170 979	79.4
All industries at basic prices	213 698	100.0	213 855	100.0	215 313	100.0

Source: ECSECC & Quantec, 2018

The official unemployment rate declined by 0,4 of a percentage point in Q4: 2018 compared to Q3: 2018. KwaZulu-Natal and Eastern Cape were the only provinces that recorded increases in the unemployment rate (2,6 percentage points and 0,5 of a percentage point respectively). In the Eastern Cape province, unemployment rate increase from 35,6% in 2018Q3 to 36,1% in 2018Q4, (Quarterly Labour Force Survey, 2019).

Table 2: Unemployment rate by Province

	Official unemployment rate					Expanded unemployment rate				
	Oct-Dec 2017	Jul-Sep 2018	Oct-Dec 2018	Qtr-to-qtr change	Year-on-year change	Oct-Dec 2017	Jul-Sep 2018	Oct-Dec 2018	Qtr-to-qtr change	Year-on-year change
	Per cent			Percentage points		Per cent			Percentage points	
South Africa	26,7	27,5	27,1	-0,4	0,4	36,3	37,3	37,0	-0,3	0,7
Western Cape	19,5	20,4	19,3	-1,1	-0,2	23,0	23,7	23,1	-0,6	0,1
Eastern Cape	35,1	35,6	36,1	0,5	1,0	44,8	46,0	46,8	0,8	2,0
Northern Cape	27,1	27,0	25,0	-2,0	-2,1	40,5	40,1	38,6	-1,5	-1,9
Free State	32,6	36,3	32,9	-3,4	0,3	39,0	41,5	39,3	-2,2	0,3
KwaZulu-Natal	24,1	23,0	25,6	2,6	1,5	41,0	41,2	41,3	0,1	0,3
North West	23,9	28,0	26,6	-1,4	2,7	40,6	43,9	42,9	-1,0	2,3
Gauteng	29,1	29,6	29,0	-0,6	-0,1	33,7	34,3	33,6	-0,7	-0,1
Mpumalanga	28,9	32,5	32,0	-0,5	3,1	39,7	41,3	41,1	-0,2	1,4
Limpopo	19,6	18,9	16,5	-2,4	-3,1	36,8	38,1	38,8	0,7	2,0

Source: Quarterly Labour Force Survey, 2019.

During 2018Q2, the Eastern Cape province followed the same trajectory, unemployment rate increased from 34,2% in 2018Q2 to 35,6% in 2018Q3. The situation was aggravated by an increase of the Eastern Cape working-age population by 12 000 or 0.3% in the third quarter of 2018, compared to the second quarter of 2018.

Furthermore, discouraged work-seekers in the province declined by 47 000 to 365 000 in 2018Q3, an indication that more people are actively looking for employment. Hence, the number of unemployed persons increased by 3 900 to 769 000 in 2018Q3, in contrast to 1 390 000 employed persons during 2018Q3. Agriculture sector alone, in the province, shed 9 000 jobs during the period in question.

While the South African youth unemployment rate was recorded at 39.0% in 2018Q3, the Eastern Cape (47.3%) had the highest youth unemployment rate. Subsequently, the total number of unemployed people with a tertiary qualification in the Eastern Cape was 60 210 during 2018Q3 (ECSECC 2018Q3 Labour Market Overview, 2018).

Currently, the country's agriculture sector contributes under 3% to the GDP, which is comparable to the developed economies of the US or Europe. However, the agricultural sectors of the BRICS counterparts, specifically Brazil and China, contribute approximately 5% and 9% respectively, to their GDPs. Sector growth in Brazil and China is attributed to their ability to consistently increase agricultural productivity. In the Eastern Cape, agriculture contributes 1.7% of the Provincial GDP. There is potential and opportunity in the agricultural sector with different climatic conditions and land patterns. Government together with business has to work together to stimulate increased agricultural production, hence the Eastern Cape Agricultural Economic Transformation Strategy was implemented in partnership with industry development partners.

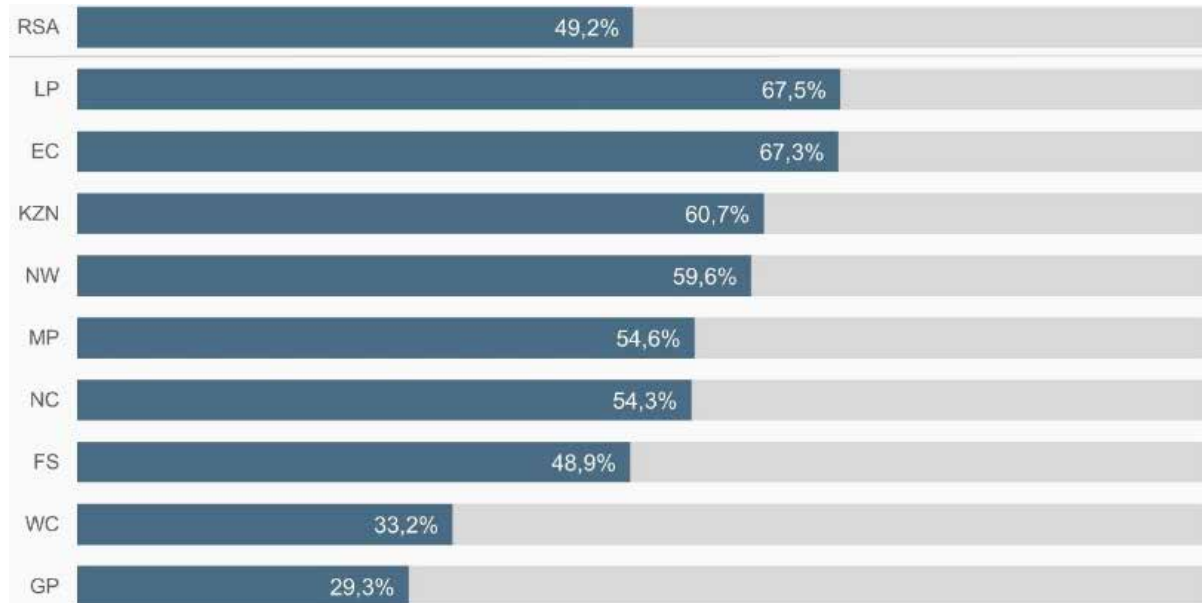
The NDP enjoins us to create a better life for all citizens in an inclusive society. It provides a framework in which government, organised business, labour and citizens work together to accelerate economic growth and resolve the triple challenge of unemployment, poverty, and inequality.

Eastern Cape Economy

Poverty levels

According to Stats SA, 2017 the Eastern Cape is the second poorest province after Limpopo at 67.3 % while the latter is at % (Figure 2). These high poverty levels could be attributed to the low unemployment levels as discussed above. This is further a result of the fact that, the province experiences the lowest economic growth at 2.2 %, wherein the agriculture sector contributes an insignificant 1.9 %.

Figure 1: Poverty levels in South Africa



Source: Poverty in South Africa, 2016

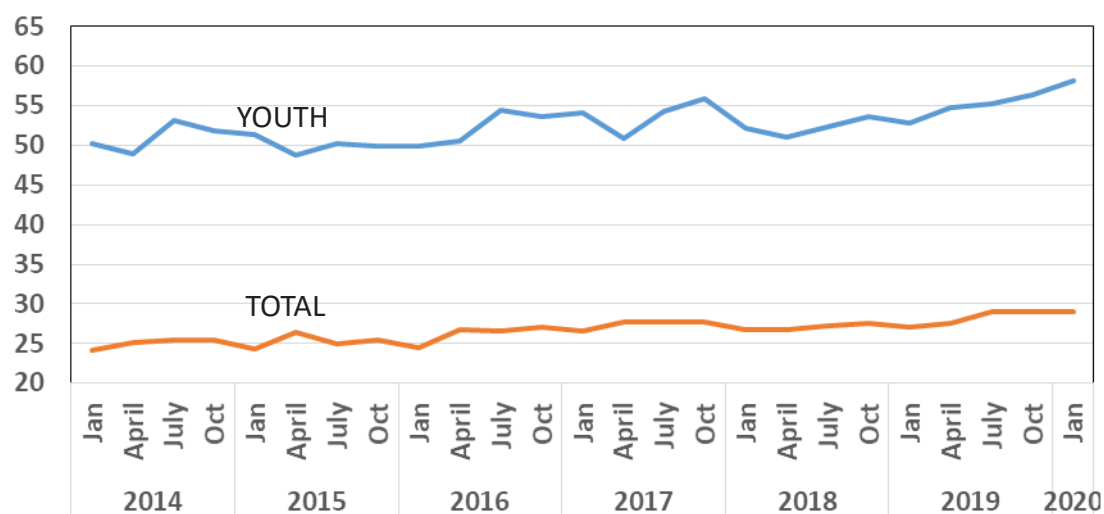
Demographics

South African population increased between 2002 and 2019, with 1,4% growth for the period 2018 -2019. However, the Eastern Cape Province has experienced a decline in population from 7, 061 million people in 2016 during community survey to 6.7 million people in 2019, reducing it to the fourth most populated province in the country (Figure 1), after Gauteng (15.1million), KwaZulu-Natal (11.3million) and Western Cape (6,8 million) provinces (STATSA, CS 2019). Generally, Eastern Cape population is more concentrated in the OR Tambo district, with 20,8% residing in the district.

Unemployment Levels

Unemployment in South Africa has gradually increased from 25.1% in 2014 to 29.1 % in January 2020 with youth unemployment increasing at a higher rate from 51.1 % in 2014 to 58.2% in January 2020 (Figure 2). The stagnant economic growth in the Eastern Cape is largely responsible for the current unemployment rate, which is at 39.5% and 47.7% in terms of the expanded definition that includes those that have ceased looking for employment. Similarly, in the province the youth unemployment rate is sitting at 58.2 % which is the maximum level across the country. During the State of the Nation Address (SONA), the President stated that “Our reality is also one of unbounded potential. Of a soil that is rich in minerals and in a diversity of plant and animal life that has few equals in the world”. It is against this background, that DRDAR through commercialisation of Agriculture, can meaningfully release the potential of the province.

Figure 2: Unemployment trends (percentage %) for South Africa: 2014 – 2020 (Trading Economics. com Statistics South Africa).

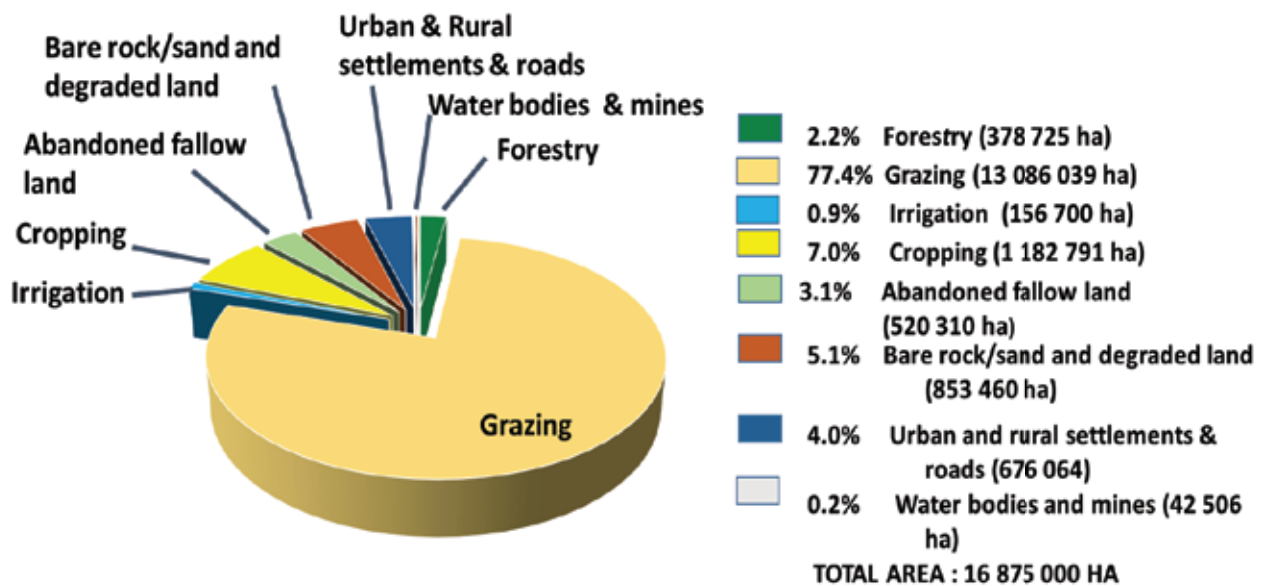


Youth	51.1	50.1	52.2	53.8	52.4	54.8	58.2
TOTAL	25.1	25.3	26.2	27.4	27.0	28.2	29.1

Natural resources

During the State of the Nation Address (SONA), the President stated that “Our reality is also one of unbounded potential. Of a soil that is rich in minerals and in a diversity of plant and animal life that has few equals in the world”. It is against this background, that DRDAR through commercialisation of Agriculture, will meaningfully release the potential of the province.

The province is well endowed with natural resources that could position it as a significant player countrywide in respect of food production and stimulate provincial economic growth. These range from suitable climate in the form of a wide rainfall range (1100 mm to less than 400 mm), optimal temperatures and soils to support a wide range of crops. Inclusive of this high potential is an under exploited 800 km of shoreline which has vast opportunities with respect to the ocean economy and related industries. However, the combination of these climatic, geological and geomorphological factors has limited the cropping potential to about 7 % rendering more than 75 % of the land surface suitable for livestock production. The above factors have resulted in the province to be renowned to have the largest provincial herds/flocks of livestock. Furthermore, the area classified as degraded is divided into abandoned fallow lands (520 000 ha) and barren land (853 460 ha). Of the barren lands it should be noted that a third (282 000 ha) of this land is severely degraded thereby reducing the current potential if no remedial action is undertaken (Figure 3).

Figure 3: land Use in the Eastern Cape (Source: Land cover survey 2018)

However, the agricultural potential has not been fully exploited due to the inability to attract the investment required to fully develop these underutilised opportunities and resources. This then hampers the optimal exploitation of these natural resources for the much needed socio-economic development.

As part of the implementation of the Agriculture Economic Transformation Strategy, the Department has identified and quantified the provincial potential of various priority commodities as well as their potential to create jobs. Furthermore, the investment that is required to achieve the full potential of these priority commodities has been quantified. This is illustrated in the Table 4.

Table 3: The 10-year potential of the agricultural commodities to create growth and employment:

Commodity	Baseline		Targeted EC Expansion	Increased Annual Gross Value (R000'S)	Increase in Provincial Gross Value Contribution (%)	New Jobs	Project- ed Total Investment Required (R 000's)
	EC	% of RSA					
Citrus	16 949 ha	29%	5 500 ha	R1,394,420	38.4%	7,355	R825,000
Dairy	157 752 cows	28%	30 000 cows	R806,288	33.7%	617	R390,000
Pineapples	3 000 ha	85%	2 200 ha	R225,998	99.0%	2,200	R143,000
Grain/oil seeds	215 000 ha (20 000 commercial & 195 000 smallholder)	1%	600 000 tons	R784,019	3.8%	7,926	R7,800,000
Deciduous fruit	6 380 ha	5%	3 300 ha	R85,439	7.6%	5,310	R2,145,000
Wool	5 005 092 sheep	25%	4 000 000 kg	R200,000	45.0%	6,583	R619,048
Mohair	483 952 goats	83%	550 000 kg	R264,005	99.0%	2,450	R85,119
Red Meat	2.5 mil. Cattle, 7.7 mil sheep, 2.8 mil goats	9%	79 848 tons	R2,395,448	16.2%	9,779	R972,175
Poultry	1 874 052 tons production/yr	12%	374 800 tons	R386,643	20.0%	365	R2,811,000
Pork	13 739 tons	6%	4122 tons	R329,760	30.0%	320	R2,338,240
Aquaculture	519 tons	8%	3 114 tons	R11,909	600.0%	4,032	R107,808
Potatoes	1 900 ha	5%	550 ha	R10,781	6.4%	220	R38,500
Tomatoes	46 777 t. production capacity.	9%	8 100 tons	R4,172	11.3%	81	R8,100
Chicory	900 ha	100%	1 330 ha	R43,225	100.0%	2,032	R26,600
Macadamia	450 ha planted	1%	3 300 ha	R1,485	6.7%	3,153	R1,870,000
				R6,943,592		52,422	R20,179,590

Infrastructure Backlog

The provision of infrastructure is a major activity of the South African public sector. Government is acutely aware of the importance of infrastructure in unlocking economic potential, reducing poverty, and progressively changing spatial outcomes. It is also aware that service delivery protests are often about infrastructure such as poor roads, leaking pipes, polluted water, power outages, rubbish in the streets etc. Good quality economic infrastructure contributes to reducing the cost of doing business, making enterprises more competitive and so increases investment opportunity which will have positive impact to economic growth and employment. The Global Competitiveness Index of the World Economic Forum measures twelve pillars of economic competitiveness, one of which is infrastructure at number 11.

Changing Climatic Conditions

Evidence from the Intergovernmental Panel on Climate Change (IPCC, 2007) is now overwhelmingly convincing that climate change is real, that it will become worse, and that the poorest and most vulnerable people will be the worst affected. The United Nations has recognised the importance for action of sustainable development goals to ensure people, planet and prosperity to strengthen universal peace. The goals strive to eradicate poverty in all its forms and dimensions, including extreme poverty which is the greatest global challenge and an indispensable requirement for sustainable development. The key important goals that are food security related are:

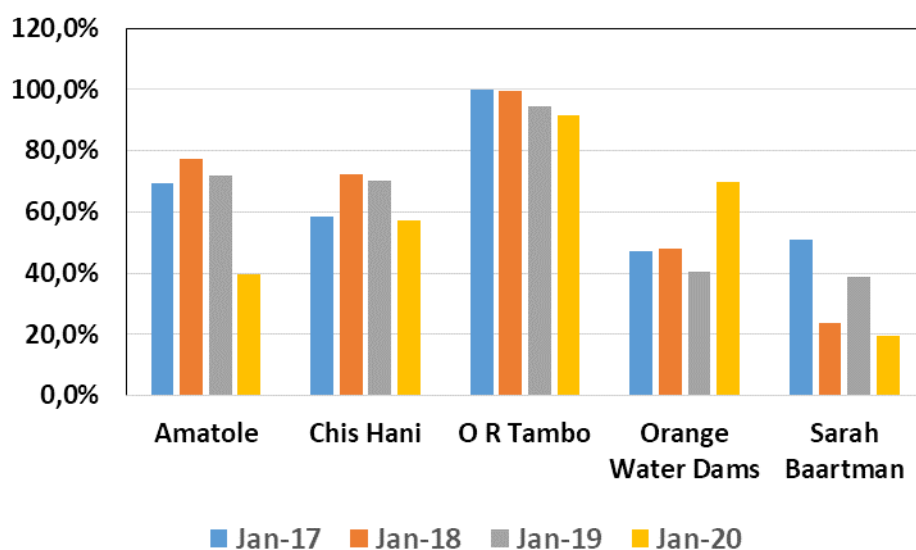
- Take urgent action to combat climate change and its impacts;
- Conserve and sustainably use of the oceans, seas and marine resources for sustainable development;
- Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

The SADC region has experienced drought condition more regularly than the 30-year average spells. During 2019/2020 summer season, the country grappled with the El Nino effect, which is responsible for the warming of the sea surface temperatures in the equatorial Pacific Ocean which influences atmospheric circulation and consequently rainfall and temperatures in the specific areas around the world. In South Africa this phenomenon results in below normal rainfall in summer and higher than normal temperatures in December to February.

Agriculture and fisheries sector are responsible for the country's food security, job and livelihood for rural communities. The two sectors are really threatened by climate variabilities and these reduce sector potential. This reduction will have severe impact in small-scale and subsistence farmers. In recent years the province has been a victim of this climatic event resulting in prolonged droughts that have manifested themselves in delayed rainfall during the summer and above normal temperatures, which severely affected cropping as well as grazing resulting in crop and livestock losses. The frequency of extreme weather conditions expose agriculture production into plant and animal disease outbreaks, infrastructure damages and these resulted in increased costs of production.

The dam levels across the province have experienced severe decrease over the past two years, demonstrating the impact of drought condition. The dams in the province have recorded the lowest levels in January 2020 for all those dams that are fed by water catchments of the Province. On the other hand, those dams that form part of Orange Water Dams shown increase in water levels since they are fed from the Orange River System receiving water from Lesotho Highlands Water System. The OR Tambo dams are the highest demonstrating marginal effects of drought since these dams are domestic and municipal used. Amathole and Sarah Baartman dams are utilised for agriculture and human consumption hence demonstrated significant drop during drought years. Diagram 04 below demonstrates the dam levels for irrigation and domestic water supply.

Figure 4: Collective dam levels of irrigation and domestic water supply for respective districts. (Source: DWS dam level reports)



The inability to predict and forecast these events poses a challenge in terms of the preparedness for mitigation strategies. Having been a victim of this phenomenon it has become paramount that the Department not only focusses on drought relief strategies but also on forecasting, prediction and development of adaptation and mitigating strategies.

KEY CHALLENGES

Compounded by all the factors highlighted above which include sluggish economic growth, high unemployment, decreasing population resulting in reduced fiscal allocation, high poverty levels, inadequate exploitation of the natural resource base, poor infrastructure and prolonged droughts, the following factors further contribute to the below average performance of the sector:

- Insufficient funds to develop, operate and maintain commercial business
- Lack of financial support to small financial institutions or markets owing to the lack of track records
- Low adoption of technology
- Limited agro entrepreneurial skilling and development
- Poor market access
- Lack of coordination and weak intergovernmental relations resulting in duplication across departments and spheres of government.

Considering the above mentioned challenges, shrinking budget allocation and non-responsiveness of procurement process to business opportunities, the Department is of the view that farmers should take lead in conducting farming and their business. This will be guided by the following:

- Support farmers with incentive grants and infrastructure to enable them to engage industry and commercial partners to leverage investment, agri-business acumen, capacitation and market access to increase the competitiveness and levels of sustainable commercial agri-business.

- Enable farmers the opportunity to develop business networks and business skills wherein they can manage their own development and economic growth while mitigating risks.
- Provide funding opportunities through blended finance and syndicated funding involving development and commercial financing institutions.

In its strategic trajectory, the Department seeks to implement programs that will collectively and singularly attempt to alleviate these challenges as articulated in the Provincial Medium Term Strategic Framework for 2019 -2024 electoral cycle.

5 EXTERNAL ENVIRONMENT ANALYSIS

Table 04: DRDAR External Environmental Analysis

EXTERNAL – PESTEL	
Political Factors	Unstable political environment.
	Political motivated protests targeting ATIs
Economic Factors	Experience sluggish economy with a low GDP growth
	High rate of unemployment
	Labour market negatively affected by low skill levels.
	Shrinking economy affecting budget allocation meant for service delivery
	Rising interest rates and its effect on the cost of money for agricultural economic development
Social Factors	Service delivery protests
	Community disputes
	High level of expectations by communities on state support leading to high dependency and entitlement.
	Conflict within legal entities (Cooperatives, partnerships etc.) impacts negatively on collective bargaining and marketing
	Social conditions in villages surrounding ATIs
	Theft of infrastructure and assets
Technological Factors	Ageing and/or inadequate ICT infrastructure platform
	Geographical location of some service centre resulting to inability to provide ICT infrastructure
	Web-based Agricultural Market information System
Environmental Factors	Climate change
	Drought
	Animal and Crop diseases i.e. Avian flu, foot and mouth, blackspot in citrus affecting/leading to ban on SA exports
	Land degradation
Legal Factors	High rate of litigations by service providers retarding service delivery.
	Non-compliance with little or no consequences on transgressors.
	External barriers to trade (export tariffs and quotas) for South Africa's agricultural products
	Land claims and land grabs around ATIs
	Insecurity of tenure

6 INTERNAL ENVIRONMENTAL ANALYSIS

Table 05: DRDAR Internal Environmental Analysis

	STRENGTHS	WEAKNESSES
INTERNAL	<ul style="list-style-type: none"> • Human Resources (skills) • Partnerships • Enabling environment (policies) • Research capacity • International collaborations • Accredited Agricultural Training Institutes (ATIs) aligned with Quality Councils for Training and Occupations • Good combination of senior and young communicators (skills) • Recognition of the impact of media partnerships to drive government agenda • Development of Agro-industry Market Intelligence Portal, linking producers to buyers 	<ul style="list-style-type: none"> • Low staff morale, Low staff morale, appropriate match of personnel competencies with job requirements • Poor ethics and professionalism • Inadequate inter-departmental planning resulting to silo mentality and duplication of efforts • Ineffective implementation of career pathing policy • Inability to place ATI graduates • Agro-processing for value chain beneficiation • Lack of information management systems including the Farmer database.
	OPPORTUNITIES	THREATS
EXTERNAL	<ul style="list-style-type: none"> • Soil and Climates • Market availability • Partnerships for sustainable quality, quantity and market access • Aquaculture • Available capacity of irrigation schemes for further development and expansion. • 4IR (production efficiencies, Climate-smart technology, E-learning • Strong media partnerships • Availability of social media platforms • Availability of Natural resources 	<ul style="list-style-type: none"> • Climate change • Social Conflicts • Natural disasters • 4IR (Job losses) • Ageing workforce • Water rights • Licensing of cannabis • High rate of litigation • Ageing farmers • Absence of reliable farmer database • Unsustainable youth participation in the sector • Volatile local and international prices for agricultural commodities • Succession Planning

STRATEGIC INTERVENTIONS

Guided by international priorities as informed by the 2015 United Nations 17 Sustainable Development Goals, the Department has considered these goals that have a bearing on the strategic direction of the department in its endeavours to improve the quality of life of the people of the Eastern Cape. The relevant goals are:

- **Goal 1** End poverty in all its forms;
- **Goal 2** End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- **Goal 3** Ensure healthy lives and promote well-being for all at all ages;
- **Goal 4** Ensure inclusive and quality education for all and promote lifelong learning;
- **Goal 6** Ensure access to water and sanitation for all;
- **Goal 13** Take urgent action to combat climate change and its impacts; and
- **Goal 15** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;

Furthermore, the Department has considered NDP Vision 2030 and PDP Vision 2030 as overarching policy imperative to guide the development of this Strategic Plan toward achieve government's prescribed outcomes. The PDP goals are as follows:

- Innovative, inclusive and growing economy
- An enabling infrastructure network
- An innovative and high-value agriculture and rural sector
- Human development
- Environmental sustainability
- Capable democratic Institutions

The department has further considered seven priorities of the 6th administration which are:

- A Capable, Ethical and Developmental State
- Economic Transformation and Job Creation
- Education, Skills and Health
- Consolidating the Social Wage through Reliable and Quality Basic Services
- Spatial Integration, Human Settlements and Local Government
- Social Cohesion and Safe Communities
- A better Africa and World

While, the Department is expected to contribute directly and indirectly to all of the above priorities it intends to pay specific focus on the following priorities as driven by its constitutional mandate:

- Priority 1: A Capable, Ethical and Developmental State
 - Improved Corporate Governance
- Priority 2: Economic Transformation and Job Creation
 - Provide Agri-Business Support for commercialization of the agriculture sector
 - Support agriculture commodities to create growth and employment
 - Increase land under sustainable crop production
 - Revitalisation of irrigation agriculture
 - Commercialisation of livestock production
 - Community based land rehabilitation
 - Support vulnerable households for food and nutrition security
 - Agriculture skills development
 - Stimulate ocean economy through aquaculture and fisheries productions
 - Provision of Mechanization services
 - Provision of agriculture infrastructure
 - Agro-processing initiatives
- Priority 5: Spatial Integration, Human Settlements and Local Government
 - Rural Development coordination
 - Revitalization of Magwa and Majola Tea Estates

Organisational Environment

The departmental planning process is the product of extensive consultation by departmental officials at Ward level to obtain the needs of the rural communities (including the farmers). Each district consolidates data which is submitted to the Provincial Office for quality assurance and alignment with government priorities. DRDAR presents the final draft plans at the Integrated Development Plans (IDPs) sessions with the local and District Municipalities.

The Department will continue to strive for a corrupt free organization through anti-corruption and security systems, effective risk management and sound internal control systems to give reasonable assurance in achieving the department's objectives. In addition, a Risk Appetite Framework will be developed and implemented which would give guidance on acceptable risks tolerance level. The effective and efficient management of financial resources will be given special attention to prevent fruitless, irregular and unauthorised expenditure through compliance with financial management process aimed at achieving a clean audit outcome.

The department strives to align its services to the Agricultural Economic Transformation Strategy through an appropriate Service Delivery Model (SDM) and an organisational structure that reconfigures the functioning of the department. The organisational structure will be reviewed in line with the Sixth Administration departmental strategic plan. We will reconfigure the operating model of the department and its Agencies to support the different tiers of our farming communities that will bring greater accountability for organisational performance with greater emphasis of return on investment in both social and economic outcomes.

We will also focus on the alignment of purpose and delivery frameworks between the department, its agencies and various other agencies charged with agriculture and rural development mandates at the municipal level. It is during this time of fiscal challenges and difficulty that we need greater collaboration to remove duplication and double social impacts.

The department strives to achieve a capable and diligent workforce through effective Human Resource planning by assisting in correctly placing employees and appropriately utilising them according to their skills and competencies. The Department continues to maintain an acceptable vacancy rate of 10% and prioritisation of critical posts.

The department will engage in an extensive human capital development of employees to match the skills set required by the agricultural sector. The department will continue to provide bursaries to deserving students to address scarce skills required and internship program to unemployed graduates.

The Department commits itself in establishing a conducive and safe environment through implementation of a Safety, Health, Environment, Risk and Quality (SHERQ) Plan. In ensuring compliance with the Occupational Health and Safety (OHS) Act, the department will ensure the functioning of the governance structures that include the Health and Safety Committee and Safety Health and Environment (SHE) Representatives.

To ensure efficient and effective implementation of departmental programmes, Operations Management Framework (OMF) will be institutionalised through establishment of functional governance structures and reporting systems which will result in mapped processes, service delivery planning and enhance business

efficiencies. The department commits in the professionalization of Public Service through implementation of culture change initiatives, Batho Pele principles including capacitation and reorientation of its human resource cadre. The department will implement equity-focused programmes through recruitment processes by ring fencing certain jobs and empowerment of women. To ensure fair representation of people living with disability in the workplace, partnerships will be established with Disabled People of South Africa (DPSA).

The department will continue to maintain and support automation of business processes and document management to improve efficiencies, through the implementation of electronic submission system, online performance management system including executive dashboard which will enhance monitoring and evaluation for effective management decision-making. This will be complimented by strict adherence to the validation of reports with portfolio of evidence to ensure high level of integrity of data/ information.

High level ICT will ensure that a universal access to digitised customer care services is in place, achieve high speed connectivity, establishment of a central agriculture database. The department will continue to manage and enhance ICT infrastructure capacity through the implementation of storage upgrade to address data growth generated over the period of time. To safeguard the departmental information from risk associated with disaster and data loss, the department will continue with the implementation of disaster recovery plan. The department will continue to encourage the utilization of the smart-pens by the extension officers in order to collate real-time data of our farming community that will enhance decision making processes.

In terms of Chapter 10, Section 195, of the Constitution of South Africa (Act 108 of 1996 as amended), it is incumbent upon public servants to uphold high standards of professional ethics. Professionalism which is intertwined with the concept of ethics, is critical in the promotion of adherence to democratic values, efficiency, competency and respect for the rule of law. A clear political resolve has been expressed by the Member of the Executive Council (MEC), to improve the level of professionalism in the Department with the emphasis on the trust, servitude and the management of change. The Department exist for the good of the people and therefore has an obligation to contribute to the principle of a better life for all.





PART C: MEASURING OUR PERFORMANCE

INSTITUTIONAL PERFORMANCE INFORMATION

The department together with the commodity strategic partners will continue to implement the Agricultural Economic Transformation Strategy for commercialisation which advocates that agriculture be prioritised as business to enable partnership between private sector and smallholder and clustered communal farmers to invest alongside with government as partners for growth and employment. These commodity and cluster-based partnerships will enable black smallholder and communal farmers to access and be commercially viable participants throughout the agricultural value chain.

The partnership support to smallholder and communal farmers is designed to strengthen their commercial viability by increasing production, market access and secure off-take agreements, value addition for local beneficiation, technology transfer for innovation and reduction of cost of doing business, skill development, increase investment and employment. The strategy also promotes local procurement especially by government entities as a means to exploit market opportunity and increase the sector contribution to growth and employment.

The commercialisation of agriculture is mainly about improving productivity and the competitiveness of the black smallholder and communal farmers in the sector. The agricultural productivity and competitiveness is not only about the increase of an area under production, it is about economically sustainable yield and labour per unit area. It is about the ability to penetrate and retain market share, access to finance, skills, business networks, infrastructure, land, technology and cost effective production, processing and packaging.

The possible funding model is:

- Establish a commercial agriculture and innovation fund in partnership with Land Bank and commercial banks.
- Enable farmers to access finance directly and timeously to exploit agri-business opportunity
- Fund should provide blended finance for production, infrastructure, market access in labour intensive commodities.
- Funding model should provide a risk sharing (grant and loan).
- Funding model should be a revolving credit facility.

The **driver of success of the strategic plan** is the belief that is possible, people make the difference, not things or money. Success is not in saying things, or developing grand plans but doing them and sometimes failing. You learn as you do. To make things possible, there is a need for value chain thinking, ecosystems approach, long term planning, dedicated people, resources, and measure outputs, outcomes, not only inputs.

1 IMPACT STATEMENT

Table 06: Impact Statement

Impact Statement	A sustainable agriculture sector that drives food security, agro processing and contributes to industrialisation, rural development, and wealth creation.
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2 MEASURING OUTCOMES

Table 07: Contribution to MTSF Priority 1: Capable, Ethical and Developmental State

MTSF PRIORITY Outcome	Priority 01: A Capable, Ethical and Developmental State	5 Year targets
Improved corporate governance	Unqualified Financial and pre-determined objectives with emphasis of matters.	Clean Audit Outcomes

Table 08: Contribution to MTSF Priority 02: Economic Transformation and Job Creation

MTSF PRIORITY Outcome	Priority 02: The Economic Transformation and Job Creation	MTSF Targets
Sustainable agricultural value chains	Gross Value Production and Competitiveness	21.6 Gross Value Production Billion Gross Value Production (an addition of 2.6 billion to 19 Billion)
Improved food security	Increased number of households that are food secure.	33 000 250 000

Table 09: Contribution to MTSF Priority 05: Spatial Integration, Human Settlements and Local Government

MTSF PRIORITY Outcome	Priority 4: Spatial Integration, Human Settlements and Local Government	MTSF Targets
Integrated rural development.	All District Development Models functional by 2025.	5 Year targets Six District Development Models functional.

2.1 Explanation of planned performance over the five-year Planning Period

2.1.1 Outcome 01: Improved Corporate Governance

Improved efficiencies through streamlined business processes to enhance the overall performance of the department as per compliance accountability framework is the core measure of success to achieve the planned outcome. The requisite support function by Programme 01 that will result in effective financial and human capital management, coordination of pre-determined objectives and oversight of the departmental services delivery will result to unqualified audit outcomes and accountability on the mandate given to government. The achievement of this Outcome will place the Department on a trajectory to attain other outcomes because all systems will be working smoothly in support of the core activities of the Department.

2.1.2 Outcome 02: Sustainable agricultural value chains

The NDP 2030 vision prioritise economic growth, employment and integrated rural development. In this regard, DRDAR will explore strategies that will give new entrants access to product value chains, expansion on commercial agriculture and support through commodity and private partners. Furthermore, the department will find creative combination between opportunities that will see increased beneficiation from primary, secondary and tertiary production, giving priority to women, youth and people with disabilities. These initiatives will grow the economy leading to sustainable jobs created.

In order to grow sustainable agriculture value chain a community of farmers and farm workers capacitated in agriculture production norms, agri-business and new agricultural technologies is critical.

Critical skills transfer to black producers and the need to inject investment on high value crops which have a potential for export, high employment and expansion in areas under production is key. Designated groups especially the women and youth will be given priority support.

In order to expand agricultural production and transform the industry, over the next five years, DRDAR will focus on increasing sector commodity production. The following will be the main focus:

Grain Production: DRDAR will commercialise grain production through partnering with relevant stakeholders to uplift small Grain Producers of Elundini, Sakhisizwe and Matatiele Local Municipalities. The target is to ensure that these municipalities constitute the grain production corridor of the province covering over 4 000 ha of land.

Citrus Production: During the current term of the 6th Administration, DRDAR will focus on the development of 117 ha of citrus orchard at Sundays River Valley. At the same time, the maintenance of the existing orchards will also a focal point. The main goal of the investment will create more than 100 Job opportunities.

Macadamia Nuts Value Chain: The Eastern Cape coastline has the potential to be Macadamia production corridor of this country. Over the next five years, the Department will engage in rigorous resource analysis and social facilitation in the OR Tambo region. This extensive resource analysis and social facilitation will be conducted by the experts within the Department.

Pineapple Value Chain: During the 2020 – 2025 cycle, DRDAR will ensure the establishment of 240ha of a new orchard. This investment will increase the area under production to 500 ha with potential to produce 6 200 tons and creating 180 new job opportunities.

Deciduous Fruit Value Chain: The implementation of the current Strategic Plan with regards to deciduous fruit aims at taking the development into new areas of the Province. The Chris Hani District has been identified as a potential new growth area for deciduous fruit. The Department will also continue with the dam designs, EIA and detailed soil surveys at Gubenxa Valley an area of 540 ha which comprised of 13 farms.

Vegetable Production: In recognition of the importance of the vegetable commodity, the Department aims to expand the vegetable production under irrigation in the OR Tambo and Chris Hani regions during the current MTSF. The Department is also planning to support the vegetable commodity by providing mechanisation and production resources. The targeted areas are in the irrigation schemes in the Chris Hani and Amathole regions and small irrigation projects around OR Tambo District, totalling to 120ha. This intervention will sustain 1 000 jobs. The Department will also support the vegetable production and GAP compliance infrastructure for Hlobo Youth at Mquma Local Municipality and at Gamtoos at Sundays River Valley.

2.1.3 Outcome 03: Improved food security

According to FAO (2019) State of Food Security and Nutrition in the World hunger is on the rise in almost all African sub-regions, making Africa the region with the highest prevalence of undernourishment, at almost 20 percent. The SDG recognises the severity of the situation to a level that first two goals talk about hunger and poverty. The universal definition of food security consider availability of and access to nutritious food by households.

In accordance STATSSA (2016) Eastern Cape has the highest number of households practising agriculture as source of food. To demonstrate seriousness of fighting food and nutrition insecurity, the Department will double the support to indigent households as compared to the previous financial year. All six districts of the province will benefit from this initiative.

2.1.4 Outcome 04: Integrated rural development

DRDAR will support and implement the recommendations of the Presidential Panel on Land Reform and Agriculture to accelerate land redistribution. The Eastern Cape Province is mostly rural and it is for this reason that DRDAR commit to focus on rural development and women emancipation. This outcome which will be pursued over the next five years, is inextricable linked to PDP Goal Number Three on Innovative and High Value Agriculture and Rural Development and is also in support of the pronouncement made by the President during SONA, that “a total of 700 000ha of state land will be disposed”. In responding to the Presidential pronouncement, it is worth noting that DRDAR will facilitate the redistribution of 168 state farms. Women, youth, agriculture graduates, persons with disabilities and eligible military veterans that are farming in communal farming areas will be the targeted groups in the redistribution of these farms.

One of the criteria that was highlighted by the President during SONA, is that, “beneficiaries need to be properly equipped to operate these farms productively”. To ensure that the beneficiaries are well trained, DRDAR working with Agricultural Institutions, will provide all the necessary support to the beneficiaries by providing

training. In line with Intergovernmental Relations, DRDAR will deliver this outcome by working with all stakeholders, including municipalities within the province.

2.2 Impact of implementing the Departmental Outcomes

At the end of the 2019 -2024 electoral cycle, DRDAR will be able to conduct a rigorous assessment of its contribution in supporting the Province and National Government in realising the MTSF Priorities for 2019 -2024 electoral cycle. This will be done by conducting an Impact Assessment or Outcomes Evaluation to determine if whether the Department, by implementing its Outcomes has managed to achieve its Impact and thereby contributing in the realisation of the PMTSF and the National Government MTSF.

3 KEY RISKS AND MITIGATIONS

Table 10: DRDAR Risk Analysis and Mitigation Strategies

Outcome	Key Risks	Risk Mitigations
Improved corporate governance.	Lack of scarce skills and critical skills.	Provide bursaries to students to address the shortage of identified scarce skills in the department with the intention to appoint these students on a contract basis, upon completion of their studies for a period equivalent of the period the bursary was offered.
	Non-compliance with financial and non-financial performance information and prescripts.	Develop and effective monitoring and evaluation system for adherence to policies and procedures for managing financial and non-financial performance information.
	Inability to respond to the strategy through ICT interventions due to non-responsive ICT infrastructure.	Implementation of the ICT Strategic Plan through Virtual Private Network(VPN) and Broadband Connectivity
Improved food security.	Increased environmental disasters.	Operationalise a fully effective Disaster Risk Management Unit that promotes and support the development of Agricultural Condition Report and Early Warning advisories.
	Poor natural resource utilization and management practices	Development of Natural Resource Management Strategy and establishment of Conservation Committee
Sustainable agricultural value chains	Persistent drought affecting production outputs	Adopt and apply climate smart agriculture practices Promote the use of new cultivars that are drought tolerant.
	Failure of agri-businesses	Implementation of skills development programmes for farmers Establishment of partnerships with private sector to source the latest technology from various industries
	Low participation of farmers on Cannabis farming	Establishment of provincial Cannabis steering committee to assist farmers in obtaining licenses and permits.
	Failure to assist smallholder farmers to progress to commercial farming	Develop and implement Business Performance Assessment Tool prior to providing financial support
Integrated rural development.	Working in silos and thereby delaying the impact and in some instance even fail to make a meaningful contribution	To ensure that there is collaboration with all relevant stakeholders in an attempt to achieve great success.

4 PUBLIC ENTITIES

Table 11: Public Entities Reporting to the Executive Authority

Name of Public Entity	Mandate	Outcomes	Current Annual Budget 2020/21 (R thousand)
Eastern Cape Rural Development Agency (ECRDA).	<p>Eastern Cape Rural Finance Corporation Amendment, Act 1 of 2012.</p> <p>*Mandate is to promote, support and facilitate rural development in the Province through the following objectives;</p> <ul style="list-style-type: none"> • Mobilising financial resources and providing financial and supportive services to persons domiciled, ordinarily resident or carrying on business within the Province. • Promoting and encouraging private sector investment in the Province and the participation of the private sector in contributing to economic growth • Promoting, assisting and encouraging the development of the Province's human resources and financial infrastructure, in association with other institutions having similar or related objectives • Project managing rural development interventions in the Province • Promoting applied research and innovative technologies for rural development in the Province • Facilitating the participation of the private sector and community organizations in rural development programmes. 	<ul style="list-style-type: none"> • Reduced unemployment • Research based solutions for industry & enterprise development • Integrated rural development • Increased provincial GDP • Catalytic Ocean's Economy Eco-System • Reduced enabling economic infrastructure backlog of the province • Access to financial & Non-financial support for projects, rural enterprises and entrepreneurs • Sustainable exit opportunities for project/rural enterprises • Increased regenerative agriculture and waste recycling to combat climate change • Good ethical and efficient administration • Impact Driven and accountable ECRDA 	<ol style="list-style-type: none"> 1) ECRDA – R169,501 2) RED Hub Cropping – R19,390 3) Cannabis – R4,500 4) Magwa – R47,263

PART D

TECHNICAL INDICATOR DESCRIPTIONS



TECHNICAL INDICATOR DESCRIPTION

Table 12: DRDAR TIDS for Outcome Indicators for Outcome 1

Outcome 1	Improved corporate governance
Indicator Title	Level improvement in the audit outcome
Definition	Financial management, good governance and management of pre-determined objectives.
Source of data	Compliance reports (Performance reports, Financial report, HR reports)
Method of Calculation / Assessment	Cumulative
Assumptions	<ul style="list-style-type: none"> • Availability of Resources (Human, Financial, Network, Infrastructure) • Ethical workforce
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: 50% • Target for Youth: 30% • Target for People with Disabilities: 7%
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities • Reflect on the spatial impact area / (NOT APPLICABLE)
Reporting Cycle	Annually
Desired performance	Higher performance is desired
Indicator Responsibility	Deputy Director General:Administration

Table 13: DRDAR TIDS for Outcome Indicators for Outcome 2

Outcome 2	Sustainable agricultural value chains
Indicator Title	Gross Value Production and Competitiveness
Definition	Commercialised agricultural produced products will compete in the market and will be measured by the Gross Value of Production (rands)
Source of data	Provincial productivity based on the agricultural statistics reports.
Method of Calculation / Assessment	Rands generated through selling agricultural products
Assumptions	It is assumed that there will be enough rains and other resources to boost production which will result in having Eastern Cape Agricultural goods entering the market.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: 50% • Target for Youth: 30% • Target for People with Disabilities: 7%
Spatial Transformation (where applicable)	All the Districts of the Province work with DRDAR
Reporting Cycle	Annually
Desired performance	Higher performance is desired
Indicator Responsibility	Deputy Director General:

Table 14: DRDAR TIDS for Outcome Indicators for Outcome 3

Outcome 3	Improved food security
Indicator Title	Increased number of households that are food secure
Definition	A group of persons who live together and provide themselves jointly with food and other essentials for living or a single person who lives alone.
Source of data	Database of household
Method of Calculation / Assessment	<ul style="list-style-type: none"> • Simple Count
Assumptions	Factors that are accepted as true and certain to happen without proof
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Target for Women: • Target for Youth: • Target for People with Disabilities:
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> • Reflect on contribution to spatial transformation priorities Reflect on the spatial impact area
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	High Performance
Indicator Responsibility	Sub-Programme Manager

Table 15: DRDAR TIDS for Outcome Indicators for Outcome 4

Outcome 4	Integrated rural development.
Indicator Title	All District Development Models functional by 2025
Definition	The Department will work with others to ensure that there's integrated rural development in all six districts
Source of data	Annual performance reports on area of land rehabilitated
Method of Calculation / Assessment	Quantitative
Assumptions	It is assumed that CoGTA will coordinate Intergovernmental Relations to ensure the integrated rural development is realised
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> • Not applicable – beneficiaries determined by location and not designated groups
Spatial Transformation (where applicable)	Cumulative (Year-End)
Reporting Cycle	Annual
Desired performance	High Performance
Indicator Responsibility	Responsible Programme Manager

ANNEXURES TO THE STRATEGIC PLAN

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

Areas of Intervention	Project description	Budget allocation	District Municipality	Project Leader	1. Social Partner
Increase land under sustainable crop production. (grain and horticultural crops)	Agronomic and horticultural crop development with the primary objective to commercialise the various industries. Targeted groups are land reform beneficiaries and smallholder producers, promoting the participation of women and youth. Provision of mechanisation services and production inputs.	425 000 000	<ol style="list-style-type: none"> 1. Alfred Nzo 2. Amathole 3. Chris Hani 4. Joe Gqabi 5. O.R. Tambo 6. Sarah Baartman 	Director : Food Security	<ol style="list-style-type: none"> 1. GFADA 2. GRAIN SA 3. CGA 4. Whiphold
Provision of agricultural infrastructure.	Horticulture: land preparation, fencing, construction of multipurpose shed and storage facilities, construction of packline, bulk infrastructure. Cropping: fencing, multi-purpose storage facility, cold room, hydroponics, sprinkler irrigation (5ha) and drip irrigation (3ha). Livestock: stock proof fence, dip tank stock, water system, new shearing sheds with equipment, stock handling facilities, EIA study for piggeries. Institutional Development: TARDI, Fort Cox and Dohne	<p>21 262</p> <p>29 860</p> <p>117 156</p> <p>24 174</p>	<p>Amathole, Chris Hani, OR Tambo Sarah Baartman</p> <p>Alfred Nzo, Amathole, Chris Hani, Joe Gqabi & OR Tambo</p> <p>1. Alfred Nzo</p> <p>2. Amathole</p> <p>3. Chris Hani</p> <p>4. Joe Gqabi, Sarah Baartman</p> <p>5. OR Tambo Head Office</p>	Director: Farmer Settlement	<p>Local Government Traditional Leaders Farmers Movements/As-sociations CPAs</p> <p>Provincial Department of Public Works</p>
Commercialization of livestock production	Livestock development targeting smallholder producers and land reform beneficiaries. Provision of the genetic material and feed in the feedlots. Key commodities to be supported are Red Meat, Wool and Mohair.	28 015 000	<ol style="list-style-type: none"> 1. Alfred Nzo 2. Amathole 3. Chris Hani 4. Joe Gqabi 5. O.R. Tambo 6. Sarah Baartman 	Director: Food Security	<ol style="list-style-type: none"> 1. NWGA 2. RPO 3. NAMC 4. NGUNI TRUST

Areas of Intervention	Project description	Budget allocation	District Municipality	Project Leader	1. Social Partner
Revitalization of irrigation Agriculture	The NDP prioritise irrigated agriculture as means to mitigated against inconsistent rainfall for food production. Currently in the province there are 8 irrigation schemes and these schemes are supported with production infrastructure. Irrigation: Design and installation of irrigation system in section 1c The eastern side of the province have rivers that have not be used for large scale irrigation. The Department will commission a feasibility study of establishing new scheme in that area of the province	121 000	<ol style="list-style-type: none"> 1. Amathole 2. Chris Hani 3. Sarah Baartman 4. OR Tambo 	Director: Farmer Settlement	Local Government Traditional Leaders Farmers Movements/As-sociations CPA's
Support vulnerable households for food and nutrition security	Support of the Indigent households for Food security and nutrition. Provision of production inputs to produce vegetable crops in the backyard gardens and provide with mono-gastric and feed.	150 000 000	<ol style="list-style-type: none"> 1. Alfred Nzo 2. Amathole 3. Chris Hani 4. Joe Gqabi 5. O.R. Tambo 6. Sarah Baartman 	Director : Food Security	<ol style="list-style-type: none"> 1. Department of Social Development 2. Department of Health 3. Department of Education 4. O.T.P 5. FAO 6. DALRRD
Provision of mechanization services	Establishment of mechanisation centres. Provision of tractors, implements and workshops. The primary objective is to support grain production.	75 000 000	<ol style="list-style-type: none"> 1. Alfred Nzo 2. Chris Hani 3. O.R. Tambo 	Chief Director : District Co-ordination	<ol style="list-style-type: none"> 1. ECRDA 2. Farmers Movement/ Association 3. Traditional Leaders

CONTACT DETAILS

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*“A sustainable agricultural sector,
integrated rural development and food
security for all”*

