

FOREWORD

South Africa held its fifth democratic national and provincial elections on the 7 May 2014, which is of high significance for South Africans as this marks the celebration of 20 Years of freedom since the first democratic elections.

We used the period after elections to celebrate and reflect the journey travelled since 1994 in transforming the country and addressing socio-economic challenges we inherited from the previous regime. Currently we are making strides to improve the lives of our people using the Vision 2030 as our roadmap to the future.

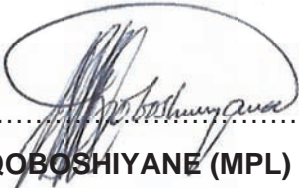
Our province is the second poorest province in the country due to its rural nature characterized by high unemployment rate, however we are endowed with a wealth of natural resources which we exploit to create a food secure province.

The provincial government's Medium Term Strategic Framework priorities continue to provide guidance for the service operations of the Department. The strategic plan document is, therefore, used to guide the Department in a manner that demonstrates high levels of commitment to the delivery of services to communities.

The department is mandated to champion and coordinate rural development and to implement agrarian reform and food security programmes.

Great progress has been made to improve the lives of ordinary citizens. We have raised the bar and we can bear testimony that "Eastern Cape is a much better place to live in than before as attested even by our former detractors.

This strategic plan's focus is to address the triple challenges namely; poverty, unemployment and inequality. There are specific targeted developmental interventions designed to address these challenges to create vibrant rural livelihoods. The department has engaged a number of relevant stakeholders to formulate the strategic plan together with its implementation plan. Their commitment, contribution, collective wisdom and efforts are appreciated and "Together we move South Africa forward".



.....
MR M. QOBOSHIYANE (MPL)

MEMBER OF EXECUTIVE COUNCIL: RURAL DEVELOPMENT AND AGRARIAN REFORM



SUPERINTENDENT GENERAL'S OVERVIEW

The Eastern Cape Province is endowed with varying natural resources and climatic conditions. This potential required significant investment in rural infrastructure, access to markets, and good capabilities to enhance implementation of agri-businesses.

The agrarian transformation agenda of the Department was realised through a designed cropping programme wherein the farmers made financial contribution in complementing the Department's support. Furthermore, an animal production improvement programme that was developed supported farmers by distributing quality bulls, rams and heifers.

The Province was nevertheless faced with challenges in animal diseases such as Classical Swine Fever, Avian Influenza, and Foot & Mouth which threatened the animal production industry in the Province. The swift response by the Veterinary Services through early warnings, communication with affected farming communities, vaccination of animals and the quarantine of affected areas minimized the negative effects.

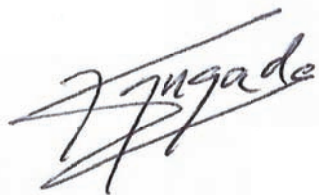
In addition to the above identified challenges, the realities of huge infrastructure backlogs, erratic climate, increasing job insecurities in the farming sector, global challenges that include slow economic growth and a deteriorating balance of trade and many others have been considered.

The Department is committed to reversing a qualified audit opinion by putting appropriate management systems in place. Furthermore, the Department will increase its capacity to improve the management of the pre-determined objectives and adhere to good corporate governance as reflected in the Strategic Plan.

The Department is committed to support rural communities by improving crop production and livestock development, co-ordinating rural development initiatives, improving efficiency and effectiveness towards good governance and clean administration.

The Strategic plan is divided into three parts, viz:

- Part A: covering the Strategic Overview.
- Part B: deals with the Strategic Objectives and Programmes and
- Part C: deals with Links to Other Plans.



L.L. NGADA

SUPERINTENDENT-GENERAL

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 the Honourable MEC. It takes into account all the relevant legislations, policies and other mandates for which the Department is responsible. It accurately reflects the strategic goals and objectives which the Department of Rural Development and Agrarian Reform will endeavour to achieve over the period 2014 – 2019.

Mrs N. Tungata
Chief Financial Officer

Signature:  _____

Mr. B.B. Magwentshu
Chief Director: Strategic Management

Signature:  _____

Mr. L.L. Ngada
Accounting Officer

Signature:  _____

Approved by:

Mr M. Qoboshiyane MPL
Member of the Executive Council
Rural Development and Agrarian Reform

Signature:  _____



LIST OF ACRONYMS	
CASP	Comprehensive Agricultural Support Programme
DM	District Municipality
DRDAR	Department of Rural Development and Agrarian Reform
EAP	Employment Assistance Program
ECRDA	Eastern Cape Rural Development Agency
ERP	Extension Recovery Plan
FMCMM	Financial Management Capability Maturity Model
GDP	Gross Domestic Product
Ha	Hectares
IPAP	Industrial Policy Action Plan
LFS	Labour Force Survey
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MPAT	Management of Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NGO	Non-Governmental Organisation
NQF	National Qualification Framework
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
RDA	Rural Development Agency
SO	Strategic Objectives
SWOT	Strengths, Weaknesses, Opportunities and Threats



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PART A: STRATEGIC OVERVIEW

1. Vision

Vibrant, equitable, sustainable rural communities and food security for all.

2. Mission

Promote, support and coordinate rural development and agrarian reform interventions to reduce poverty and underdevelopment through job creation, integrated food security programmes and equitable participation in development by all rural communities.

3. Values

- **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.
- **"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.
- **Honesty & Integrity:** Commitment to be transparent with all stakeholders.
- **Inclusivity:** "Bonke abantu esisebenza nabo, siya kusebenzisana nabo ngokufanelekileyo nangokulinganayo".

4. Legislative and other mandates.

4.1 Constitutional Mandates.

The mandate of the Department is derived from section 27(1) (b) and 2 of the Constitution of South Africa, 1996, that is ".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"

4.2 Legislative Mandates

The legislative mandates are informed by the following Acts	
The Agriculture Development Act, 1999	Act No. 67 of 1999
Conservation of Agricultural Resources Act, 1983	Act No. 43 of 1983
The Eastern Cape Rural Finance Corporation Act, 1999	Act No. 9 of 1999
ECRFC Amendment Act, 2012	Act No. 1 of 2012
Veterinary and Para-Veterinary Professions Act, 1982	Act No. 19 of 1982
The Animal Health Act, 2002	Act No. 7 of 2002
The Meat Safety Act, 2000	Act No. 40 of 2000
Animal Disease Act, 1984	Act No. 35 of 1984



The legislative mandates are informed by the following Acts	
Animal Improvement Act, 1998	Act No. 62 of 1998
Animal Protection Act, 1962	Act No. 71 of 1962
Livestock Improvement Act, 1997	Act No. 25 of 1997
Agricultural Pests Act, 1983	Act No. 36 of 1983
Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947	Act No. 36 of 1947
Agricultural Research Amendment Act, 2001	Act No. 27 of 2001
Marketing of Agricultural Products Act, 1996	Act No. 47 of 1996
Fencing Act, 1963	Act No. 31 of 1963
Land Tenure Rights Act, 1991	Act No. 112 of 1991
Intergovernmental Relations Framework Act, 2005	Act No. 13 of 2005
Public Finance Management Act, 1999	Act No.1 of 1999
Basic Conditions of Employment Act,1997	Act No.75 of 1997
Division of Revenue Act, 2009	Act No. 12 of 2009
Preferential Procurement Policy Framework Act, 2000	Act No. 5 of 2000
Public Service Act, 1994 as amended by Act 30 of 2007	Act 30 of 2007
Public Service Regulations 2001 as amended , 31 st July 2012	Act 30 of 2007
Skills Development Act, 1998	Act No. 97 of 1998
Occupational Health and Safety Act, 1993	Act No. 85 of 1993
Employment Equity Act, 1998	Act No. 55 of 1998
Promotion of Access to Information Act, 2000	Act No. 2 of 2000
Treasury Regulations issued in terms of PFMA Act, 1999 as amended in 2000	Act No. 29 of 2000
Promotion of Administrative Justice Act, 2000	Act No. 2 of 2000



4.3 Policy Mandates

The **National Development Plan (NDP)** lays foundation for long-term planning to eradicate poverty, increase employment and reduce inequality by 2030. Based on the national Medium Term Strategic Framework (MTSF) 2014-2019, the Province developed MTSF from which seven priorities were adopted, namely:

Medium Term Strategic Framework priorities		DRDAR's contribution
1.	Transforming the economy to create jobs and sustainable livelihoods.	Mega projects contribute to economic development and job creation.
2.	Stimulating rural development, land reform and food security.	Implement rural development initiatives including rural socio-economic infrastructure such as facilitation of water and sanitation, access to alternative energy, schools connected via broadband and ensure that Magwa & Majola tea enterprises recapitalised ; food security; livestock improvement (bulls & rams); agricultural infrastructure development; and animal disease control.
3	Promoting quality education and skills development.	Promote skilling for economic development and through systematic farmer training and education in order to grow the provincial economy.
4.	Better health care for all.	Animals vaccinated against controlled animal diseases to ensure that animal diseases do not affect humans. Monitor the safety of meat and conduct public awareness interactions on illegal slaughter to respond to Section 7 of the Meat Safety Act (Act 40 of 2000).
5.	Intensifying the fight against crime and corruption	Intensify the animal branding campaign as part of the social crime prevention strategy.
6.	Integrated human settlement and building cohesive communities.	Food insecure households supported with production inputs to promote household food security.
7.	Strengthening the developmental state and good governance.	Public sector transformation programmes such as the Culture Change Programme implemented to upscale organisational maturity with a cadre of officials who are able to tackle challenges faced by rural communities.

The Department will mainly respond to priority number three, i.e. Stimulating rural development, land reform and food security which is informed by national outcomes 7 and 10. The Department will contribute directly to priority three and indirectly to other six Provincial priorities.



Priority area 3: Stimulating rural development, land reform and food security		
Programme	Indicator 2014/15	Target 2018/19
Infrastructure development	Number of enterprises established	6 enterprises developed
Cropping	Number of hectares planted, and tons of projected yields	300 000 ha and 1.2 million tons of projected yields
Animal diseases control	Number of animals treated	2,3 million Livestock Stock Units(LSU)
Livestock development	Number of livestock distributed (Rams, and bulls)	13 100 bulls and 21 500 rams.
Rural Development	Number of rural development projects implemented	<ul style="list-style-type: none"> • 500 schools connected via broadband • 1250 households have access to alternative energy • 970 beneficiaries provided with revolving credit • 10 Agro-processing hubs established
Transformation and Change management	Number of employees participating in culture change.	3 200 employees.

Within the NDP vision, critical policy instruments will continue to drive rural development agenda. These include:

- **Agriculture Policy Action Plan** aims to strengthen agricultural production, agro-industries and food security.
- **Rural Development Strategy** aims to promote sustainable growth and development for improved quality of life for all, particularly the rural poor.
- **Industrial Policy Action Plan (IPAP)** supports the strategic sectors of the economy (including agriculture and agro-processing) for re-industrialisation of the economy.
- **New Growth Path** – this policy seeks to shift the trajectory of economic development by focussing on key drivers of employment i.e. infrastructure, economic sectors including agriculture and agro-processing, new economy, public service and spatial development.
- The **National Infrastructure Policy Plan** guides the roll out of infrastructure to improve people’s lives both in urban and rural areas.
- **Eastern Cape Development Plan (2030)** embraces an economic strategy which focuses on strategic economic infrastructure as basis for future development and employment creation. It has identified agriculture, mining, construction and tourism sectors as drivers of economic growth and job creation.

Relevant Court Rulings

There are no court rulings that have a significant on-going impact on operations or service delivery obligations.



4.5 Planned Policy Initiatives

The Department intends to develop and implement the Rural Development Policy during this term of government. This policy will lead to coherent and co-ordinated processes of implementing rural development initiatives.

5 SITUATIONAL ANALYSIS

5.1 Performance environment

Demographics

The Eastern Cape has 6,7 million people which constitutes 12.8% of the South African population. The demographic profile is that of a young population where 57 % are below the age of 30. The lower portion of males in the age group over 30 is linked to the fact that the Eastern Cape recorded the greatest migration of economically active persons out of the Province relative to all other Provinces over the period 2006-2013 and is indicative of the lower employment opportunities in the Province compared to those areas that contribute greatest to the national economy.

There are 1 687 385 households in the Eastern Cape and the distribution of households by dominant type of farming activity is cattle farming (31% of households) while the spread of households involved in agriculture by gender of house head is at 45% and 56% male and female heads respectively (Statistics SA 2011). This demonstrates that the Province has a large number of people involved in agricultural activities which can be optimally used to improve the livelihood of rural communities.

Unemployment trends

South Africa has low employment rate compared to international norms. Joblessness is worst in the former so called “homelands”, where about a third of the third population lived in 2013. In September 2013, only a quarter of adults in these regions were employed, compared with half in the rest of the country. As a result, 55% of households in the former “homelands” indicated that they survived mainly from social grants and family remittances, compared with 17% in the rest of the country. The average household income in the former homelands was just R1 700 a month compared with R3 800 in the rest of the country.

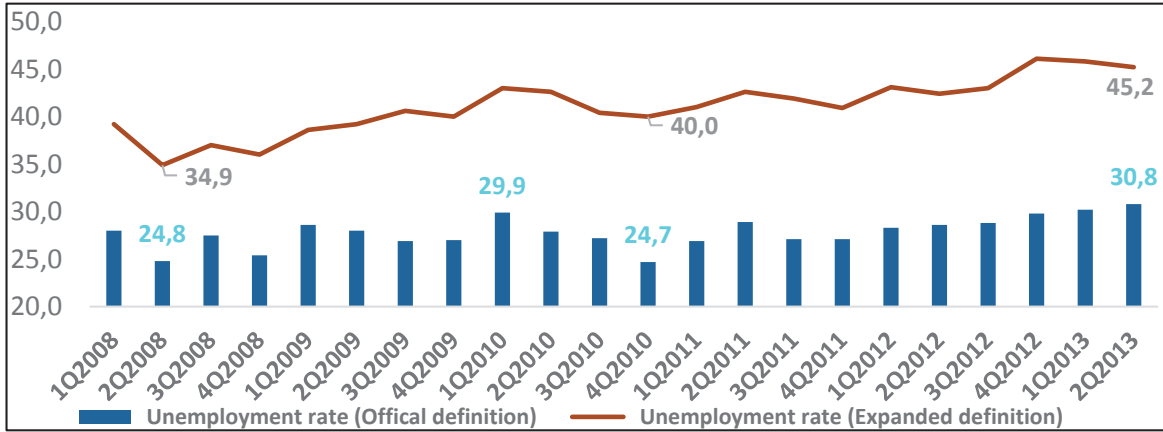
From September 2001 to September 2013 many new jobs were created in the public services, as indicated in the growth of employment in community services, primarily in Health, Education, and Policing. Employment growth in the private sector is largely the result of expansion in business services, mostly private security services and cleaning. There was also employment growth in construction, transport and communications.

In contrast, key productive sectors such as mining and manufacturing saw much slower growth in employment and a decline as a percentage of total employment in the economy over the same period. Similarly, domestic services still a major for African women, saw some growth but fell as a percentage of total employment. The agriculture sector saw a decline in both jobs and as a share of total economy in the employment between 2001 and 2012, despite some growth in 2012/13 (20 year review 1994 to 2014).

The unemployment in the Eastern Cape has increased from 24.8% to 30.8% in 2013. That is linked to the stagnant economic activities in the province.



Official and expanded unemployment rate in the Eastern Cape

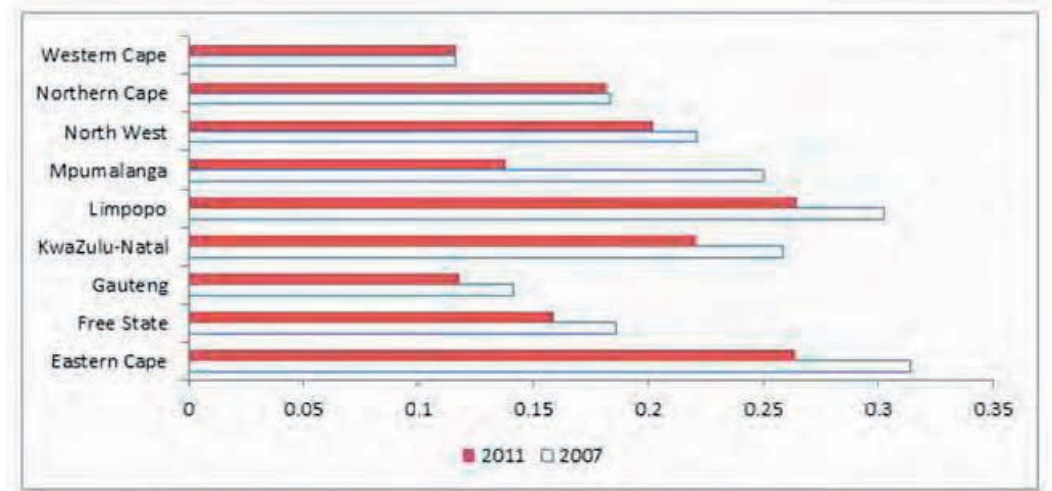


Source: Statistic South Africa’s Quarterly Labour Force Survey 2013

Poverty trends

The Province still experiences high levels of poverty as indicated in the graph below. The Eastern Cape records the highest incidence of poverty (27%) of all the provinces in 2011.

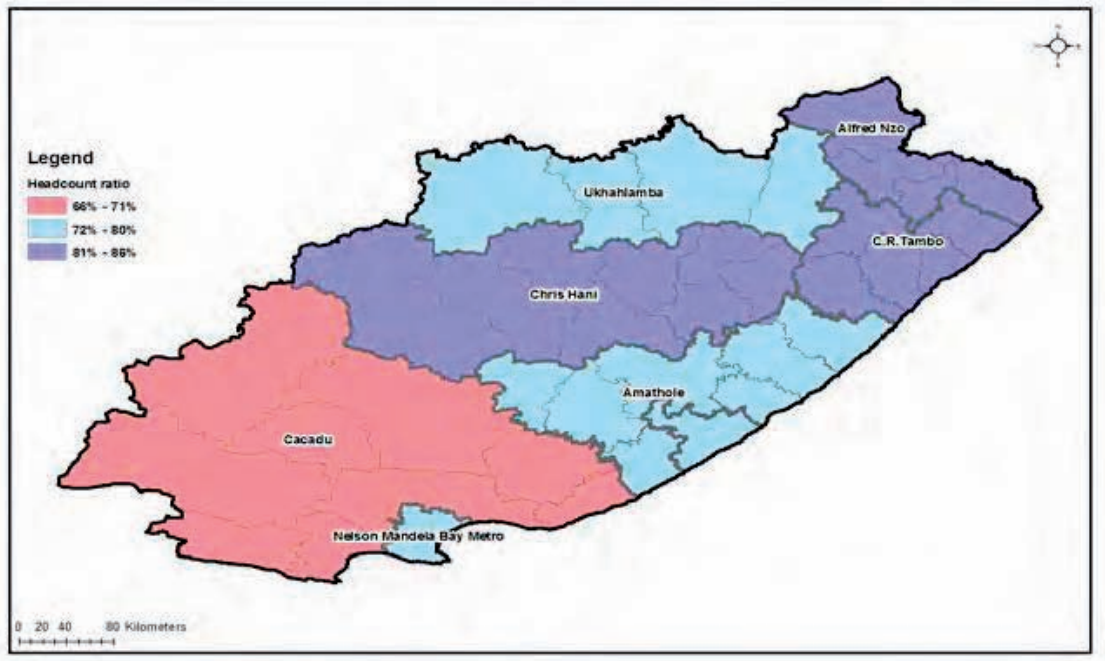
Figure: Poverty level index per Province in 2007 and 2011



Source: Socio Economic Review Outlook 2013 (DEDEAT) from computations based on data from Statistics South Africa – 2007 Community Surveys & 2011 census.

The population of the province experience one of the highest levels of food insecurity in the country. The level of households experiencing food insecurity is 78% compared to the national average of 64%.

Figure: Food Insecurity in the Eastern Cape



Source: Socio Economic Review Outlook 2013 (DEDEAT)

The prevalence of food insecurity is highest in the rural areas where Alfred Nzo (86 %), Chris Hani (83%) and OR Tambo (81%). The predominance of high levels of food insecurity in the rural areas is, attributed to vulnerable women headed households that have high numbers of dependants, particularly young children.

Economic Overview

The Eastern Cape Province contributes 7.8 % to National GDP. Whilst there are signs of economic recovery from the 2008 economic recession, the Province is yet to reach the pre-recession economic growth of 5%.The provincial economy is dominated by the tertiary sector (retail and services) contributing 76.7 %, followed by the secondary sector (manufacturing, construction, electricity, water) contributing 21.2 % and the primary sector (agriculture, forestry, fisheries and mining) contributing 2.2 %. Over the past 10 years the contribution by tertiary sector has increased by 1.7 % while the contribution from secondary and primary sectors has declined by 0.1%.

The growth in the tertiary sector is attributed to finance, real estate and business services sector which requires a highly skilled labour force. This had no significant impact in reducing unemployment because the majority of unemployed are unskilled and semi-skilled. This poses a challenge as the majority of the unemployed in the province are unskilled. The Department should develop interventions that address unemployment and skills deficit.

The Eastern Cape is characterised by extreme under development in all districts. The underdevelopment is mainly due to huge infrastructural backlog. The tension between the three different streams of service delivery (maintenance and rehabilitation, addressing backlogs, responding to new demand) and managers make difficult choices in maintaining a fair balance

between building new infrastructure for the many who have no services, and maintaining or rehabilitating infrastructure and facilities for those who already have access to services. The revival of rural economies requires all three infrastructure streams to be implemented simultaneously. The Department will champion the provision of infrastructure through collaboration with all spheres of government.

Natural Resource of the Province

The Eastern Cape experiences an East to West rainfall gradient with the eastern seaboard and inland areas receiving high rainfall while the inland Western side is relatively dry. The eastern side and the coastal areas have a limited potential for dry land crop production due to topographic and soil properties. Nonetheless, it is estimated that the Province has about 300 000 ha of land suitable for crop production.

Approximately 90 % of the provincial land surface is suitable for use as natural veld for extensive livestock production. This is demonstrated by the large numbers of livestock compared to other provinces, i.e 24 % cattle, 29 % sheep and 38 % goats of the national herd. The livestock is a competitive advantage that the Province should exploit for economic benefits.

Natural disasters

The Province is affected by disasters, such as, floods, plant pests and animal diseases. They occur once in a while and have a negative effect on the economic and agricultural sectors. In the past two decades, the Eastern Cape Province had occasionally experienced disasters relating to **Environment** (cold spells, drought, floods, and fires), **Plants** (Army worm) and **Animal** (Avian Influenza, foot and mouth disease, Classical Swine Fever). These resulted in huge cost to the agriculture sector. An early warning system has been developed to forewarn and provide monthly warning reports to the farming communities.

Rural Development Transformation

In 1994, 60 percent of the South African population called rural areas home, with some 17 million people living mainly in the areas of the former homelands. Some 70 percent of the rural population was poor, compared with 40,5 percent of the urban population, and 75 percent of poor people living in rural areas.

Since 1994, restricted economic and social development in rural areas has resulted in many rural people migrating to urban areas in search of economic opportunities. Between 1995 and 2008, the population of the former homelands grew by only 9 percent, while the population in the metropolitan areas grew by nearly 40 percent, secondary cities by 24 percent and commercial farming areas by 15 percent. By 2012, the percentage of the population living in rural areas had declined to be low 50 percent.

Since 1994, the main challenge for rural development has been addressing the marginalization of the poor, with many rural areas in households trapped in a vicious cycle of poverty. The government committed itself to ensuring that the country develops sustainable rural communities by focusing on land reform, agrarian reform, improving rural household, food security and rural services. Furthermore, the government have improved access to education and creating employment in rural areas, skills development, youth development, cooperatives and small



enterprise development. The government will improve planning and coordination capacity for rural development across all spheres of government.

5.2 Organisational environment

The organizational systems are aligned to the mandate and service delivery needs of the Department. However there are critical areas that the department needs to attend to in order to fulfil the Departmental mandate.

The Department will review the Human Resource Plan, Human Resource Development Plan, Employment Equity, customized Provincial Career Pathing, Knowledge Management to bring them in line with the new strategic Plan. The critical areas of scarce skills that will be prioritised to accelerate delivery of services are veterinarians, engineers, scientists, economists, etc. The Department will also enhance the skills on financial management, supply chain management (contract management) and project management. To improve good governance the Department will capacitate the Risk Management Unit, Internal Audit and Fraud and Anti-corruption unit. Culture change initiatives will be implemented to align employees to the organizational values.

It is worth noting that twenty three percent (23%) of the staff compliment is between 55 -65 years of age and above. This demonstrates stability in the workforce of the Department. However this could also pose a risk of institutional memory loss should these employees retire. To mitigate the risk the Department will implement the Knowledge Management Strategy, Employment Equity Plan and Succession planning.

The Departmental budget processes are informed by Provincial Budget Policy Statement which encapsulates the budget for the next MTEF period. The Departmental MTEF Service Delivery Budget is by and large dependent on conditional grants. The dependence on conditional grants makes it difficult to initiate long term and credible plans. This state of affairs requires creative strategies to mobilise resources and capabilities through strategic collaborations with private sector partners and non-governmental organisations. Furthermore the Department will engage the Executive Council (EXCO) and the Department of Provincial Planning and Treasury to request additional funding for service delivery programmes.

5.3 Strategic planning process

The Strategic Plan was developed with inputs from the relevant stakeholders of the agricultural sector, women, youth and rural communities through the following:

- Outreach was held on the 28th August 2013 with Stakeholders at Bhisho Show-grounds where the Departmental programmes were presented and inputs were solicited from the Stakeholders.
- Consultative Women's Conference held at the same venue on the 29th and 30th August 2013 to mark the end of the Women's Month.
- Briefing session of Hon MEC with Senior Management of the department where she outlined the policy priorities for the strategic plan cycle 2014 – 2019, consequently the outlined priorities were incorporated into the plan.
- During the strategic plan process, it was noted that the Department has made significant progress in provisioning for basic agricultural services but these interventions have not yet yielded the desired outcomes and impacts in terms of job creation and economic growth. This called for a new strategic service delivery approach which was going to focus on up



scaling commodity driven primary production. In the next five years the Department will focus on strategic mega projects with specific focus on employment and economic growth.

On the 16th and 17th September 2013, a strategic planning session was held to reflect on the focal areas of the strategic plan. The process resulted in the 1st draft Strategic Plan 2014 – 2019. Further Strategic Planning Sessions were held on the 20th and 21st January 2014 wherein the management of Fort Cox College and Eastern Cape Rural Development Agency (ECRDA) participated to refine the Strategic Plan.

The revised strategic plan has reduced the number of the strategic objectives from eighteen (18) to six through the processes of internal environmental analysis using the SWOT and PESTEL tools. Two of these strategic objectives are focused on increasing crop production and the other on improving livestock production. This approach to streamline strategic objectives creates an opportunity to strengthen coordination and integration of supportive functions such as farmer support, research, farmer training & development, sustainable resource management and marketing to be executed to focus on crop production and livestock production. The Department will strengthen its oversight role over ECRDA as the implementing agent for rural activities.

6 Strategic outcome oriented goals

Strategic Goal 1	Good governance and clean administration.
Goal Statement	To improve the management of human and financial resources, ensure effective internal control systems and accessible public service, risk management and corporate governance resulting in better performance of the department.
Justification	To achieve clean administration and better service delivery to customers.
Links	Public Service Legislation/Policies and the Medium Term Strategic Framework
Outcome	Accelerated service delivery through streamlined processes and effective systems (operational efficacy)
Impact	Better public service and value for money for customers.

Strategic Goal 2	A thriving farming sector and access to affordable food.
Goal Statement	Support at least 500 000 farmers with appropriate cropping, livestock production technologies and economic growth for sustainable livelihoods, and poverty reduction working with strategic partners, thus contributing to the sector's contribution to GDP by 2019.
Justification	Agriculture productivity is currently suboptimal and unevenly distributed in the Province hence there is a need to improve equitable access to food production and income earned by farmers, with special focus on rural women, youth and people with disabilities, thus contributing to GDP, economic growth and poverty reduction.
Links	Millennium Development Goals (MDGs), National Development Plan (NDP), Medium Term Strategic Framework (MTSF), National Outcomes 4, 5, 7 & 10; Agriculture Sector Plan, Comprehensive Rural Development



Strategic Goal 2	A thriving farming sector and access to affordable food.
	Programme (CRDP), Provincial Growth and Development Plan (PGDP), Eastern Cape Rural Development Strategy and National Growth Path.
Outcome	Increased contribution to sustainable food security, economic growth, skilled and empowered rural communities.
Impact	Increased net farmer income through livestock and crop production

Strategic Goal 3	Coherent and co-ordinated rural development for improved quality of life
Goal Statement	To improve rural development through integrated planning, facilitation and co-ordination of provisioning of rural infrastructure, access to social services, non-farm rural economy and entrepreneurship resulting in skills development and better lives in rural communities.
Justification	To develop rural areas in a systematic approach with a view to improve people's lives and restore their dignity.
Links	Rural Development Strategy, National Outcome 4,7&10, CRDP, PGDP, MDG's, NDP Chapters 3,4,6&9, MTSF and Strategic Integrated Projects (SIPs)
Outcome	Increased economic, social and financial investments in infrastructure, improved access to basic social services and creation of a sustainable manufacturing rural industry.
Impact	Reduction of poverty, underdeveloped, unemployment and inequality

PART B: STRATEGIC OBJECTIVES

STRATEGIC GOALS		STRATEGIC OBJECTIVES	
SG1	Good governance and clean administration.	SO 1.1	Political leadership and strategic direction provided.
		SO 1.2	Overall accountability, integration and implementation of strategy provided.
		SO 1.3	Overall financial, human and technological management support provided.
SG 2	A thriving farming sector and access to affordable food.	SO 2.1	Improved livestock production.
		SO 2.2	Increased crop production.
SG3	Coherent and co-ordinated rural development for improved quality of life.	SO 3.1	Rural development initiatives facilitated and co-ordinated.

STRATEGIC GOAL 1 AND STRATEGIC OBJECTIVES LINKED TO THE PROGRAMMES AND SUB-PROGRAMMES.

Strategic Goal 1	Good governance and clean administration
Goal Statement	To improve the management of human and financial resources, ensure effective internal control systems and accessible public service, risk management and corporate governance resulting in better performance of the department.
Justification	To achieve clean administration and better service delivery to customers.
Links	Public Service Legislation/Policies and the Medium Term Strategic Framework.
Outcome	Accelerated service delivery through streamlined processes and effective systems (operational efficacy).
Impact	Better public service and value for money for customers.

Programme 1: Administration

Objective: To manage and formulate policy directives and priorities and, to ensure appropriate support service to all other programmes with regard provision of finance, human capital, communication and supply chain management services.



7.1 Strategic objectives

Strategic Objective 1.1	Political leadership and strategic direction provided
Objective Statement	Political leadership and guidance to the department, stakeholders, developmental agencies, sector/strategic partners and donors provided through holding retreats and stakeholder engagement sessions in order to ensure that they contribute towards the fulfilment of the mandate by improving people's lives by 2019.
Baseline	Political Mandate as contained in the Manifesto of the ruling party. Priorities are set in terms of the State of the Nation Address (SONA), State of the Province Address (SOPA), Policy Speech, Strategic Plan; EXCO reports and outcomes reported in the Annual reports; MoUs implemented. Provincial and Departmental Communication Strategy.
Justification	The need to provide political leadership and strategic direction will ensure that people's needs and aspirations are met.
Links	Strategic Goal 2 & 3, ruling party Manifesto and National Outcome 4, 7 and 10.

The strategic objective 1.1 is addressed by the following sub programme:

Sub-Programme 1.1: Office of the MEC

Objective: To set priorities and political directives in order to meet the needs of clients.

Strategic Objective 1.2	Overall accountability, integration and implementation of strategy provided.
Objective Statement	Improved strategic management services through effective policy development and implementation, strategic planning, the management of transformation services (including culture change program), communication of the strategy and monitoring and evaluation of the impact of programmes / integrated projects implemented by the department in response to the needs of rural communities and customers.
Baseline	Legal prescripts, Policy Speech, Departmental Policies in place, Strategic Plan, Annual Performance Plan, Annual Report, Outcome 7 Report, Cluster reports, Annual Financial Statements, MPAT, FMCMM and Audit Opinion.
Justification	To ensure that there is total integration of strategy management and accountability in the department.
Links	Strategic Goal 2 & 3

This strategic objective 1.2 is addressed by the following sub – programmes:

Sub-Programme 1.2: Senior Management

Objective: To translate policies and priorities into strategies and programmes for effective service delivery and to manage, monitor and control performance.

Sub-Programme 1.3: Corporate Services

Objective: To provide support service to the other programmes with regard to human resources management & development and Information Communication Technology service.

Sub-Programme 1.5: Communication Services

Objective: To improve internal and external communication, customer care and total quality assurance of the department through written, verbal, visual and electronic media as well as marketing together with quality assuring of the departmental services.

Strategic Objective 1.3	Overall financial, human and technological management support provided
Objective Statement	Improved financial, human and technological management through needs based budget planning, supply chain management, auxiliary services; In-Year monitoring reporting, and monitoring of internal controls; implementation of the human resource plan, performance management, skills development and effective implementation of the ICT strategy.
Baseline	Legal prescripts, Performance Management and Development System, Human Resource Plan, Work Place Skills Plan, and Employment Equity Plans, Wellness Programme, Budget Plan, Audit Intervention Plan, Annual Financial Statements and Provincial ICT Strategy,
Justification	To ensure effective information communication technology, financial and human resource management are aligned with regulatory framework resulting in improved audit outcomes.
Links	Strategic Goal 2 & 3

This strategic objective 1.3 is addressed by the following sub – programmes:

Sub-Programme 1.3: Corporate Services

Objective: To provide support service to the other programmes with regard to human resources management and development and Information Communication Technology service.

Sub- Programme 1.4: Financial Management

Objective: To provide effective support services with regard to financial planning and control and supply chain management.

Resource Considerations

In the next five years, the Programme's budget is showing an increase of 3.4% in 2014/15 from a revised estimate of R391.430 million in 2013/14 to R404.564 million. An amount of R20 million will be surrendered to Provincial Treasury as the first instalment towards the settlement of the R60 million unauthorised expenditure. This therefore means that the budget has decreased by 1.8%



when the R20 million is subtracted from the programme’s budget bringing it down to R384.564 million in 2014/15 financial year.

The overall increase from 2014/15 to 2015/16 is a mere 3.1% which is very much below the inflation rate. In order to bring Compensation of Employees budget closer to the prescribed inflation adjustment rate for ICS purposes the budget for Goods and services for 2015/16 has been reduced. This has affected most programmes.

In all the programmes, the 2017/18 and 2018/19 figures have been arrived at by inflating the 2016/17 figures by an inflation rate of 5.4% as received from Provincial Treasury for the last outer year of the MTEF (2016/17).

ADMINISTRATION					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	262 044	276 194	291 109	306 829	323 398
Goods and services	98 194	96 922	103 376	128 958	155 922
Transfers and subsidies	11 741	11 226	11 821	12 459	13 132
Payments for capital assets	12 585	12 782	12 442	13 114	13 822
Payments for financial assets	20 000	20 000	20 000	-	-
Totals	404 564	417 124	438 753	441 360	506 360

Trends in the number of Key staff

In order to achieve the strategic objectives, the Programme will prioritize recruitment in the following key strategic areas: Customer and Total Quality Assurance, Human Resource Management, Information Communication & Technology (ICT) and critical skills in Monitoring and Evaluation and Strategy Management.

Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 1.1: Political leadership and strategic direction provided	
Inability to deliver the political mandate.	<ul style="list-style-type: none"> • Translate the MTSF into departmental strategy and programmes.
SO 1.2: Overall accountability, integration and implementation of strategy provided	
Ineffective implementation of strategies.	<ul style="list-style-type: none"> • To craft target setting mechanism to enhance proper planning. • To effectively implement Standard Operating Procedures at Branch and Programme levels. •
SO 1.3: Overall financial, human and technological management support provided	

DESCRIPTION OF RISK	MITIGATING FACTORS
Fraud and corruption.	<ul style="list-style-type: none"> • A functional Anti-corruption Unit.
Inability to implement sound financial and human resource management support.	<ul style="list-style-type: none"> • Develop Enterprise Work Map and Business Process Mapping for all key functions of the department and use the results to inform changes to be made if any.
Inadequate implementation of ICT Governance.	<ul style="list-style-type: none"> • Implement IT Plan aligned to departmental strategy • Develop ICT Disaster Recovery Plan/Business Continuity Plan.

STRATEGIC GOALS 2 AND STRATEGIC OBJECTIVES LINKED TO THE PROGRAMMES AND SUB-PROGRAMMES.

Strategic Goal 2	A thriving farming sector and access to affordable food.
Goal Statement	Support at least 500 000 farmers with appropriate cropping, livestock production technologies and economic growth for sustainable livelihoods, and poverty reduction working with strategic partners, thus contributing to the sector's contribution to GDP by 2019.
Justification	Agriculture productivity is currently suboptimal and unevenly distributed in the Province hence there is a need to improve equitable access to food production and income earned by farmers, with special focus on rural women, youth and people with disabilities, thus contributing to GDP, economic growth and poverty reduction.
Links	Millennium Development Goals (MDGs), National Development Plan (NDP), Medium Term Strategic Framework (MTSF), National Outcomes 4, 5, 7 & 10; Agriculture Sector Plan, Comprehensive Rural Development Programme (CRDP), Provincial Growth and Development Plan (PGDP), Eastern Cape Rural Development Strategy and National Growth Path.
Outcome	Increased contribution to sustainable food security, economic growth, skilled and empowered rural communities.
Impact	Increased Net Farm Income through livestock and crop production.

8 Programme 2: Sustainable Resource Management

Objective: To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources.

8.1 Strategic objectives

Strategic Objective 2.1	Improved livestock production
Objective Statement	Supported 2.3 million animals in order to improve access to affordable animal product and fibre production by using the latest research technology outputs, provisioning of 466 agricultural infrastructure (livestock water supply units, animal handling facilities, and renovation of dip tanks), implementation of the Livestock Improvement Scheme, training of farmers in livestock management, increasing the supply of livestock fodder, marketing of livestock and its by-products over the five year period, with focus on livestock owners.
Baseline	2.3 million animals belonging to 500 000 farmers are inadequately managed but has a latent potential to make the Eastern Cape the food basket of South Africa.
Justification	Livestock productivity of the resource-poor farmers is currently low and uneven in the Eastern Cape, hence a need to improve food production and income earned by farmers.
Links	MDGs; NDP, Agriculture Sector Plan, Outcomes 4, 7& 10; Rural Development Strategy, PGDP and Provincial Strategy Framework

Strategic Objective 2.2	Increased crop production
Objective Statement	Increased area for food production from 33 801 ha of arable land, to 300 000 ha during this period, with an estimated yield of 1.2 million tons (includes maize, other field crops and horticultural crops), supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, marketing, farmer training and extension advisory services with a village focus on smallholder and subsistence farmers with the ultimate goal to establish them as commercial farmers.
Baseline	A total of 33 801 ha of arable land have been planted. The immediate potential arable land to be unlocked is 146 000 ha out of 300 000 ha available in the province.
Justification	To increase food production resulting in a food secure province.
Links	Provincial Medium Term Strategic Framework, Eastern Cape Rural Development Strategy, Provincial Growth and Development Plan (PGDP), Integrated Food Security Strategy of South Africa (IFSS).

The strategic objectives 2.1 and 2.2 are addressed by the following programmes and sub programmes:

Sub-Programme 2.1: Engineering Services

Objective: To provide engineering support (planning, development, monitoring and evaluation) with regard to irrigation technology, on-farm mechanization, value adding, farm structures, resource conservation management, operation and maintenance of farm equipment, machinery, tools and implements solutions.

Sub-programme 2.2: Land Care

Objective: To promote the sustainable use and management of natural agricultural resources.

Sub-programme 2.3: Land Use Management

Objective: To promote the implementation of sustainable use and management of Natural Agricultural resources through regulated Land Use (Act 43 of 1983 and Act 70 of 1970).

Sub-programme 2.4: Disaster Management

Objective: To provide support service to clients with regards to agricultural disaster risk management.

8.2 Resource Considerations:

The increase in the budget for all the economic classifications over the planning cycle is marginal, however, the programme will use the available budget innovatively (See table on financial information). The human resource allocation will be reprioritised to accommodate more artisans and engineers to support the mechanisation and infrastructure development programmes.

Financial information for the next 5 years

SUSTAINABLE RESOURCE MANAGEMENT					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	89 156	93 971	99 045	104 393	110 031
Goods and services	38 961	32 415	35 720	37 649	39 682
Transfers and subsidies	-	-	-	-	-
Payments for capital assets	17 063	18 756	25 980	27 383	28 862
Totals	145 180	145 142	160 745	169 425	178 575

Trends in the number of Key staff

In order to achieve the strategic objectives, the Programme will prioritize recruitment in the following key strategic areas: four engineers, twelve engineering technologists, eighteen technicians, twenty six artisans and thirty five scientists.

8.3 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 2.1: Improved livestock production	
Inability to improve the quality of livestock production.	<ul style="list-style-type: none"> • Routine vaccinations of animals against controlled diseases as per animal programme. • Dipping of all communal cattle • Sign MOU with Breeders Society. • Use of biotechnology for reproduction.
SO 2.2: Increased crop production	
Inability to contribute optimally towards food security.	<ul style="list-style-type: none"> • Establishment of fully fledged Early Warning and Disaster Risk Management unit.

9. Programme 3: Farmer Support and Development

Objective: To provide support to farmers through agricultural development programmes.

Sub-Programme 3.1: Farmer Settlement and Development

Objective: To facilitate, coordinate and provide support to small holder and commercial farmers through sustainable agricultural development within agrarian reform initiatives.

Sub-programme 3.2: Extension and Advisory Services

Objective: To provide extension and advisory services to farmers.

Sub-Programme 3.3: Food Security

Objective: To support, advise and coordinate the implementation of pillar one of the Integrated Food Security Strategy of South Africa (IFSS).

9.1 Resource Considerations

A re-allocation of the budget within the Programme in the subsequent financial years will be maintained. The same principle of allocating 70% of the total Comprehensive Agricultural Support Programme (CASP) budget to food security with specific focus on maize and beans production will be maintained. The result is the increased area of land planted in hectares (ha) and a decrease in the provision of agricultural infrastructure. These measures are in response or adjustment in the policy directive.



Financial information for the next 5 years

FARMER SUPPORT AND DEVELOPMENT					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	294 604	310 857	327 600	345 290	363 936
Goods and services	224 913	221 975	249 842	263 333	277 553
Transfers and subsidies	-	-	-	-	-
Payments for capital assets	51 364	43 744	24 819	26 159	27 572
Totals	570 881	576 576	602 261	634 782	669 061

Trends in the number of Key staff

In order to achieve the strategic objectives, the Programme envisages to employ twenty nine key officials who in the main will be recruited in the project management, food security, extension, scientists and Home Industry components.

9.2 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 2.1: Improved livestock production	
Inability to improve the quality of livestock production.	<ul style="list-style-type: none"> • Routine vaccinations of animals against controlled diseases as per animal programme. • Dipping of all communal cattle. • Sign MOU with Breeders Society. • Use of biotechnology for reproduction.
SO 2.2: Increased crop production	
Inability to contribute optimally towards food security.	<ul style="list-style-type: none"> • Establishment of fully fledged Early Warning and Disaster Risk Management unit.

10. Programme 4: Veterinary Services

Objective: To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of people of South Africa.

Sub-Programme 4.1: Animal Health:

Objective: To facilitate and provide animal disease control services in order to protect the animal and human population against identified infectious, zoonotic and/ or economic diseases, through the implementation of the Animal Diseases Act (Act 35 of 1984) and primary animal health care programme/projects.



Sub-Programme 4.2: Export Control

Objectives: To provide control measures including risk assessment and health certification, in order to facilitate the exportation of animals and animal products.

Sub-Programme 4.3: Veterinary Public Health

Objective: To ensure the safety of meat and meat products through the implementation of the Meat Safety Act (Act 40 of 2000), the Animal Diseases Act (Act 35 of 1984) and other relevant legislation.

Sub-Programme 4.4: Veterinary Laboratory Services

Objective: To render veterinary diagnostic, laboratory and investigative services that will back the control of animal diseases for adherence to hygienic standards and to generate data.

10.1 Resource Considerations

The budget trends show an increase linked to inflation rates over the five year period in support of this strategic objective. Additional funding was allocated to Veterinary Services' medical supplies over the MTEF period.

Financial information for the next 5 years

VETERINARY SERVICES					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	207 932	219 160	230 775	243 237	256 372
Goods and services	48 543	47 588	52 177	49 145	51 799
Transfers and subsidies	-	-	-	-	-
Payments for capital assets	3 703	4 933	5 189	5 469	5 765
Totals	260 178	271 681	288 141	297 851	313 935

Trends in the number of Key staff

The Province depends mainly on contract employment for veterinarians from the neighbouring countries which negatively affect the stability of the programme. Certain specialised competencies required (epidemiologists, veterinarians, veterinary technologists) for effective provisioning of veterinary services remain in short supply.

Supply of key inputs such as cattle dip material; animal vaccines for Anthrax, Rabies, Rift Valley Fever; medicine for sheep scab control and mobile clinics will be prioritised. Communities will be encouraged to form dipping committees according to dipping policy so that they may have direct influence on the dipping of their livestock.

In order to achieve the strategic objective, the Programme will prioritize recruitment in the following key strategic areas: twenty five veterinarians, one epidemiologist, three veterinary technologists, animal health technicians and community animal workers.

10.2 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.



DESCRIPTION OF RISK	MITIGATING FACTORS
SO 2.1: Improved livestock production	
Inability to improve the quality of livestock production.	<ul style="list-style-type: none"> • Routine vaccinations of animals against controlled diseases as per animal programme. • Dipping of all communal cat • Sign MOU with Breeders Society. • Use of biotechnology for reproduction.

11 Programme 5: Research and Technology Development Services

Objective: To render expert and needs based research, development and technology transfer services impacting on development objectives.

Sub-Programme 5.1: Research

Objective: To conduct, facilitate and co-ordinate research and to participate in multi-disciplinary development projects.

Sub-Programme 5.2: Technology Transfer Services

Objective: To disseminate information on research and technology developed to clients.

Sub-programme 5.3: Infrastructure Support Services

Objective: To provide and maintain infrastructure facilities for the line function to perform their research and other functions, i.e. experiment farms.

11.1 Resource Considerations

The budget trends show an increase linked to inflation rates over the five year period in support of this strategic objective.

Financial information for the next 5 years

Research and Technology Development Services					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19R' 000
Compensation of employees	79 644	83 945	88 394	93 167	98 198
Goods and services	13 596	12 545	13 532	14 263	15 033
Transfers and subsidies	-	-	-	-	-
Payments for capital assets	6 855	6 278	4 988	5 257	5 541
Totals	100 095	102 768	106 914	112 687	118 772

Trends in the number of Key staff and Inputs

The research work for the coming years will be focusing on the issues of climate variability that is affecting crop and livestock production. There will be a need to use latest technologies in production as means of responding to climate variability. To conduct cutting edge research, highly specialised equipment and professionals in the fields of Geo-informatics and Biotechnologists will be required. Recruitment and purchasing of specialised equipment will require additional funding.

In order to achieve the strategic objectives, the Programme will prioritize recruitment in the following key strategic areas: twenty scientists, two Biometricians, three biotechnologists, four farm managers, three socio-economic researchers, six GIS professionals, five GIS technologists, seven GIS technicians, and twelve research technicians.

11.2 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 2.1: Improved livestock production	
Inability to improve the quality of livestock production.	<ul style="list-style-type: none"> • Routine vaccinations of animals against controlled diseases as per animal programme. • Dipping of all communal cattle. • Sign MOU with Breeders Society. • Use of biotechnology for reproduction.
SO 2.2: Increased crop production	
Inability to contribute optimally towards food security.	<ul style="list-style-type: none"> • Establishment of fully fledged Early Warning and Disaster Risk Management unit.

12 Programme 6: Agriculture Economic Services

Objective: To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.

Sub-Programme 6.1: Agri-Business Support and Development

Objective: To provide Agric-Business support through entrepreneurial development, marketing services, value adding, production and resource economics.

Sub-Programme 6.2: Macroeconomics Support

Objective: To provide macroeconomic and statistical information on the performance of the agricultural sector in order to inform planning and decision making.

12.1 Resource Considerations:

The budget trends show an increase linked to inflation rates over the five year period in support of the strategic objectives.



Financial information for the next 5 years

AGRICULTURE ECONOMIC SERVICES					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	21 214	22 468	23 765	25 048	26 400
Goods and services	13 714	13 091	12 946	13 645	14 482
Transfers and subsidies	10 265	9 862	8 014	8 447	8 903
Payments for capital assets	348	156	125	132	139
Totals	45 541	45 577	44 850	47 272	49 924

Trends in the number of Key staff

In order to achieve the strategic objectives, the Programme envisages employing 24 key officials who, in the main, will be recruited as economists, marketing officers and statisticians.

12.2 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 2.1: Improved livestock production	
Inability to improve the quality of livestock production.	<ul style="list-style-type: none"> • Routine vaccinations of animals against controlled diseases as per animal programme. • Dipping of all communal cattle. • Sign MOU with Breeders Society • Use of biotechnology for reproduction.
SO 2.2: Increased crop production	
Inability to contribute optimally towards food security.	<ul style="list-style-type: none"> • Establishment of fully fledged Early Warning and Disaster Risk Management unit.

13 Programme 7: Structured Agricultural Education and Training

Objective: To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.

Sub-Programme 7.1: Higher Education and Training

Objective: To provide accredited higher education and training from NQF levels 5 and above to anybody who desires to study in agriculture and related fields.



Sub-programme 7.2: Further Education and Training

Objective: To provide formal and non-formal training on NQF levels 1 to 4 through Further Education and Training (FET) structured education and training programmes to all interested agricultural role players.

13.1 Resource Considerations

The budget trends show an increase linked to inflation rates over the five year period.

Financial information for the next 5 years

STRUCTURED AGRICULTURAL EDUCATION AND TRAINING					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	49 100	51 805	54 604	57 553	60 660
Goods and services	14 078	14 995	15 719	16 568	17 462
Transfers and subsidies	31 620	33 075	34 828	36 709	38 691
Payments for capital assets	20 719	20 196	20 337	21 435	22 593
Totals	115 517	120 071	125 488	132 265	139 406

Trends in the number of Key staff

In order to achieve the strategic objectives, the Programme envisage to employ 60 key officials who, in the main, will be recruited as lecturers, skills development facilitators, coordinators and training officers.

13.2 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 2.1: Improved livestock production	
Inability to improve the quality of livestock production.	<ul style="list-style-type: none"> • Routine vaccinations of animals against controlled diseases as per animal programme. • Dipping of all communal cattle. • Sign MOU with Breeders Society. • Use of biotechnology for reproduction.
SO 2.2: Increased crop production	
Inability to contribute optimally towards food security.	<ul style="list-style-type: none"> • Establishment of fully fledged Early Warning and Disaster Risk Management unit.

STRATEGIC GOALS 3 AND STRATEGIC OBJECTIVE LINKED TO THE PROGRAMME AND SUB-PROGRAMME.

Strategic Goal 3	Coherent and co-ordinated rural development for improved quality of rural life
Goal Statement	To improve rural development through integrated planning, facilitation and co-ordination of provisioning of rural infrastructure, access to social services, non-farm rural economy and entrepreneurship resulting in skills development and better lives in rural communities.
Justification	The Eastern Cape as one of the poorest Provinces in the country with a majority of the population residing in rural areas where access to basic services, infrastructure and employment opportunities are very low, hence a need of integrated planning of targeted interventions across the broader sphere.
Links	Rural Development Strategy, National Outcome 4, 7 &10, CRDP, PGDP, PIDP, MDG's, NDP Chapters 3,4,6&9, MTSF and SIPs
Outcome	Seamless integration in the provisioning of rural development initiatives in all sectors of the economy.
Impact	Better living standards enjoyed by poorly resourced people in the rural areas of the Eastern Cape.

14 Programme 8: Rural Development Coordination

Objective: To develop, plan and monitor rural development coordination of the various departments and organize social facilitation in relation to community priorities and organizational structures.

14.1 Strategic objectives

Strategic Objective 3.1	Rural development initiatives facilitated and co-ordinated
Objective Statement	Facilitate and co-ordinate the implementation of development initiatives (such as enterprise/ entrepreneurship development, use of appropriate technology, job creation and access to credit) through agencies, private sector, government and NGOs.
Baseline	Co-ordination has mainly been driven at the level of the Inter-governmental Relations Forums (IGR). The Eastern Cape, as one of the poorest provinces, has a huge backlog in respect of infrastructure in all spheres etc. mud schools, clinics, roads networks, water and sanitation and electricity.
Justification	Due to insufficient integration and co-ordination in rural service delivery; and low levels of institutional and technical capacity, especially in the rural areas of the former Transkei and Ciskei. This requires engagement and coordination of Inter-sphere, Inter-departmental, Rural Development Agencies to achieve rural development

Strategic Objective 3.1	Rural development initiatives facilitated and co ordinated
Links	Provincial Anti- Poverty Strategy, Eastern Cape Rural Development Strategy, PGDP, Provincial MTSF and Eastern Cape Provincial Planning Commission.

The strategic objective 3.1 is addressed by the following programme and sub programmes:

Sub-programme 8.1: Development planning and monitoring

Objective: To initiate, plan and monitor development in specific rural areas across the three spheres of government in order to address needs that have been identified.

Sub-programme 8.2: Social Facilitation

Objective: To engage communities on priorities and to institutionalise and support community organisational structures.

14.2 Resource Considerations:

The budget trends show an increase linked to inflation rates over the five year period in support of this strategic objective and additional allocation of R100 million was allocated to ECRDA over the MTEF period.

Financial information for the next 5 years

RURAL DEVELOPMENT CO ORDINATION					
Economic Classification	2014/15 R'000	2015/16 R'000	2016/17 R'000	2017/18 R'000	2018/19 R'000
Compensation of employees	10 442	11 600	11 584	12 210	12 869
Goods and services	5 942	11 843	12 304	12 968	13 668
Transfers and subsidies	204 514	156 842	154 095	162 416	171 186
Payments for capital assets	4 309	219	231	243	256
Totals	225 207	180 504	178 214	187 837	197 979

Trends in the number of key staff

In order to achieve the strategic objectives, the Programme envisage to employ 16 key officials who, in the main, will be recruited as social facilitators and monitoring specialists.

14.3 Risk Management

The identified risks and mitigating factors are outlined in detail in the Table below.

DESCRIPTION OF RISK	MITIGATING FACTORS
SO 3.1: Rural development initiatives facilitated and co ordinated	
Inability to facilitate and coordinate rural development initiatives.	<ul style="list-style-type: none"> Develop District Rural Development Plans for each district.

The strategic plan of the department started with the macro-analysis of the external environment, industry environment and internal environment (core competencies and capabilities). The PESTEL methodology was used to analyse the external environment and the SWOT analysis was used to analyse the internal environment.

EXTERNAL – PESTEL

Political Factors	Economic Factors	Social Factors
<p>*Political expectations exceed budgetary allocations</p>	<p>*Effects of Global recession slow growth in the sector.</p> <p>*High fuel and food prices limit access to food by those affected by hunger.</p> <p>*Increase in input costs result in the limit the number of hectares that could be planted, and reduce profitability of enterprises.</p> <p>*Inadequate Market access and price determinant.</p> <p>*Poor access roads and transportation system negatively affect prices and market access.</p> <p>*Fluctuations in exchange rate put pressure in the departmental budget (purchasing power to acquire inputs.</p> <p>*Lack of commercial experience by Extension officials.</p> <p>*Lack of access to credit.</p> <p>*Livestock farming in rural areas is not meant to sell in the market but to be used for cultural activities.</p> <p>* Rural residents' property could not be used as collateral to banks when rural residents want access to credit.</p> <p>*Slow uptake of credit due to high risks associated with inexperienced commercial agricultural management in under-developed areas and the small margins above cost for basic agricultural produce.</p> <p>*Inadequate attention to technical detail and quality of agricultural practice where grant funding used to finance production.</p>	<p>*High poverty and unemployment especially the Youth.</p> <p>*Low levels of literacy in rural communities.</p> <p>*High HIV/AIDS pandemic.</p> <p>*Issue of ownership and inheritance of land in the rural areas.</p>

Technological Factors	Environmental Factors	Legal Factors
*Current research programmes not responsive to the problems experienced by farmers	*High prevalence of soil erosion resulting in land degradation. *Effect of climate change on agriculture production	*Possible litigation resulting in contractual obligations not honoured.
*Inadequate provision of Information Communication Technology infrastructure in the rural areas.	*Climate change effect may cause severe drought, and negatively effect on cropping and animal production levels.	
The increasing use of information technology, like internet and mobile digital platforms even in rural areas, offers an opportunity to facilitate communication between the department and its client base.	Outbreaks like swine fever, foot and mouth disease, avian flu, and recently army worm continue to be the threat in the environment of agriculture.	

INTERNAL ENVIRONMENTAL ANALYSIS- SWOT analysis

	STRENGTHS	WEAKNESSES
INTERNAL	<ul style="list-style-type: none"> *Decentralised service delivery model *Available intellectual capital. *Service points well distributed throughout the Province 	<ul style="list-style-type: none"> *Inefficient supply management system. *Lack of project management capacity. *Poor attention to technical integrity and good agricultural practice in under-developed areas where production is funded primarily from grant funds. *Too many projects are being implemented resulting in lack of economic impact of the projects. *Inability of contractors to complete the awarded infrastructure projects on time.

	OPPORTUNITIES	THREATS
EXTERNAL	*Political will to champion development by the state	*Occasional disease outbreaks * Non-attendance of training programs by farmers.
	*High potential to increase agricultural productions levels in rural areas	*High production input costs *Food price increases

PART C: INFRASTRUCTURE PLAN

15 Links to long term infrastructure plan

The scope and extent of infrastructure projects planned for development during the 2014 – 2019 term of Government are an outcome of integrated planning and fall within the strategic objectives of the DRDAR and the priorities of “Vision 2030”.

Rural Infrastructure is a key pillar of the Rural Development Strategy of the Province, Building the bulk Rural Infrastructure is a pivotal intervention on which the realization of the full socio-economic potential of especially the historically under-developed areas of the Province covering some 5 million ha and home to 60 % of the people in the Eastern Cape. The occurrence of the greatest levels of poverty in the Province occurring in the Rural areas of O R Tambo and Alfred Nzo Districts is indicative of the impoverished state of the rural economy in the former homeland areas and the poor levels of bulk rural infrastructure in these areas.

The greatest infrastructure backlogs in these rural areas are the condition and serviceability of the road networks and energy distribution. These impact directly on the rate of economic development that can be forged in these areas as does the rate of progression of the agricultural infrastructure required for a vibrant commodity based Rural Economy. The development of the bulk rural infrastructure is co-ordinated with the respective Departments and Municipalities through Intergovernmental forums the outcomes of which are the respective Integrated Development Plans (IDP’s).

In both the Rural Development Strategy (2010) of the Eastern cape and the National Development plan (NDP) , “Vision 2030”, agriculture is identified as a key driver for job creation, food security and sustainable economic development in these Rural areas. These development strategies prioritise the development of smallholder production systems to achieve the greatest impact on overcoming poverty and making full use of the natural agricultural resource potential.

In this regard the Eastern Cape has in the order of 300 000 -400 000ha of under-utilised cropland. While the Province is second only to Kwazul Natal in terms of cattle numbers and is home to the greatest number of sheep and goats amongst the nine Provinces in the order of 80 % of livestock sales in the Province are made to buyers outside the Province. In contrast in the order of 80% of livestock purchases made in the Province are from sources outside the Province. This highlights the condition of the Province “exporting” a major economic opportunity which generates wealth and jobs elsewhere while the most of the people in the province remain impoverished. This despite the fact that the province has the resource potential for significant grain production and agricultural value chain development to service both the Provincial market and for trading elsewhere.

“Vision 2030” identifies the development of irrigation potential, crop production and the livestock value chain is strategic development priorities for the Eastern Cape. At the same time the



agricultural potential and productivity from land transformation farms are required to be sustained and enhanced. Adequate appropriate infrastructure is one of the strategic interventions required to unlock the potential of the underdeveloped agricultural resource base for the Province and for sustaining and improving the levels and efficiencies of production in the developed farming areas, in particular the land transformation farms where infrastructure has degraded. The magnitude of the agricultural infrastructure backlog determined through a ward based determination procedure, the outcome of which is shown in the Table below:

TABLE: Outcome of a Ward based determination of existing and backlogs of agricultural infrastructure required for best agricultural practice and optimum socio-economic benefit.

Type of Agricultural Infrastructure	Estimated amount of Existing infrastructure (km/ha/units)	Present value of existing structures (R)	Backlog (km/ha/ units)	Present value of Backlog (R)
Boundary Fencing (Km)	31,297	1,408,386	20,429	919,304
Internal Fencing (km)	132,243	5,950,926	86,320	3,884,385
Arable Land Fencing (km)	45,937	2,067,148	68,226	3,070,172
Fencing of key resource areas (km)	32,723	1,472,555	26,017	1,170,751
Stock Handling facilities (Cattle) (units)	2,429	121,458	3,868	193,407
Stock Handling facilities (Small stock) (units)	5,807	116,141	4,938	98,757
Dip Tanks (Cattle) (units)	2,157	553,847	1,121	881,938
Dip Tanks (small stock) (units)	2,904	232,282	2,469	197,515
Stock Water (Earth Dams) (units)	4,090	409,043	3,252	325,209
Stock Water (Storage & distribution) (units)	12,271	1,227,129	9,756	975,626
Shearing /livestock sheds (units)	2,405	961,971	1,978	791,398
Forage sheds (units)	4,090	613,565	3,252	487,813
Cropping/utility sheds (Production) (units)	2,187	393,742	3,249	584,795
Crop Pack sheds (units)	1,094	196,871	1,624	292,397
Hydroponics structures (units)	204	204,400	372	371,600
Dairy Facilities (units)	204	204,400	372	371,600
Piggery facilities (units)	204	204,400	372	371,600
Poultry Facilities (units)	204	204,400	372	371,600
Ostrich facilities (units)	84	84,100	40	39,900
Irrigation: Small scale (ha)	135,448	2,031,723	29,262	438,927
Irrigation: Large schemes (ha)	2,592	91,200	6,135	650,000
TOTALS		18,749,687		16,488,694

In the light that the Eastern Cape Province is lagging behind, both in agricultural and socio-economic infrastructure, the agricultural infrastructure development plan focusses on stimulation growth in the livestock and crop production commodities in the province in addressing the respective backlogs for sustainable production particularly in underdeveloped areas and land transformation farms.

The 10 year, medium term outcomes to which the 5-year agricultural infrastructure development plan commits are to develop:

- Eastern Cape annual production and trading of 1.2 million tons of grain, mostly maize.
- At least double the level of productivity and income realized from cattle sheep and goats in the underdeveloped areas of the province
- Replace 50% of the current commercial purchase of red meat from outside the province with meat produced and finished for market in the Eastern Cape.
- Develop poultry production in the Province to a level that replace 100 000 tons of the current approximate 400 000 tons poultry product imported annually into South Africa.
- Develop irrigated vegetable production in O R Tambo and adjacent districts to supply 60 % of the vegetable need in O R Tambo District.
- Develop sustainable black owned dairy production to contribute 100 000 litre milk per day to the dairy processing and fresh milk industry within 10 years.

The Department will invest resources in agricultural infrastructure in 2014- 2019 period to stimulate economic development and job creation. The type of projects and their distribution in the province are illustrated in the Table below:

Table: Agricultural infrastructure development for 2014 – 2019 period.

Type of Project	Alfred Nzo	Amathole	Chris Hani	Joe Gqabi	O R Tambo	Cacadu	Grand Total
Abattoir	-	1	1	-	-	-	2
Animal Health clinic	-	1	-	-	1	-	2
Animal handling facility	-	1	1	-	-	-	2
Dairy	-	1	1		1	2	5
Dip tanks	5	8	11	3	13	-	40
Fencing Projects	6	12	7	12	12	6	55
Hydroponics	-	-	-	-	5	5	10
Irrigation	1	1	5	1	7	5	20
Livestock sale pens & feedlots	1	1	1		1	-	4
Multi-purpose shed	1	1	3	2	5	2	14
Piggery	1	1	2	2	3	3	12
Poultry	3	4	3	3	5	10	28
Shearing shed	1	5	6	3	6	-	21
Silo development	-	1	-	-	2	-	3
Stock Water	20	6	4	18	6	6	60
Grand Total	39	44	45	44	67	39	278

16 Conditional Grants

NAME OF GRANT	COMPREHENSIVE AGRICULTURAL SUPPORT GRANT (CASP)
Purpose	The Comprehensive Agricultural Support Grant strives to provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform's restitution and redistribution; and other previously disadvantaged producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in exports
Performance Indicator	Contribute to the development of 471 on-farm infrastructure structures for agricultural development for the increase in crop and livestock production within the 5 year term.
Continuation	This is a medium term measure
Motivation	Integrated support for developing farmers

NAME OF GRANT	ILIMA/ LETSIMA
Purpose	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production potential
Performance Indicator	Contribute to the cropping of 100 000 ha of field crops that increase the crop production in previously under-developed areas during the 5 year term
Continuation	This is a medium term measure
Motivation	Production input and material assistance to enhance production and food security

NAME OF GRANT	LAND CARE
Purpose	To promote sustainable development and use of natural resources by engaging in the initiatives that support the pillars of sustainability (social, economic and environmental) leading to greater productivity, food security, job creation and better well-being for all.
Performance Indicator	Levels of awareness and practice of resource conservation
Continuation	This is a medium term measure
Motivation	To secure the potential use of natural resources for present and future generations

17 Public Entities

In order to achieve the broad mandate of Rural Development, the department established the Eastern Cape Rural Development Agency (ECRDA), to implement through the following key drivers derived from the Rural Development Strategy:

- **Pillar 1:** Effective co-ordination and implementation of Agrarian-driven High Impact Priority Programmes (HIPPs)
- **Pillar 2:** Promote entrepreneurship through rural finance and support programmes



- **Pillar 3:** Develop, institutionalise and sustain an effective, capable and fit-for-purpose organisation including best-in-class project management, targeted research and innovation driven Agency
- **Pillar 4:** Leverage strategic partnerships towards implementation and funding of rural development initiatives

Name of public entity	Mandate	Output	Current annual budget (R '000)	Date of next evaluation
ECRDA	<p>Eastern Cape Rural Finance Cooperation Amendment, Act 2012.</p> <p>To promote, support and facilitate rural development in the province.</p>	<p>Promote entrepreneurship through rural finance and support programme, effective co-ordination and implementation of Agrarian-driven High Impact Priority Programmes (HIPPs), develop, institutionalise and sustain an effective, capable and fit-for-purpose organisation including best-in-class project management, targeted research and innovation driven agency and leverage strategic partnerships towards implementation and funding of rural development initiatives.</p>	R204 514	2016/17

18 Public Private Partnership

The Department has no Public-private-Partnerships.

ANNEXURE: E - TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Goal 1 : Good governance and clean administration
Short definition	Application of effective management for a clean audit and better service to clients.
Purpose/importance	To improve the management of human and financial resources, ensure effective internal control systems, risk management and corporate governance resulting in better performance of the department.
Source/collection of data	Auditor General reports, Audit Committee reports, Feedback reports from National and Provincial Treasury, Management Performance Assessment Tool (MPAT) results from the Department of Performance Monitoring and Evaluation.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General Administration

Indicator title	SO 1.1 : Political leadership and strategic direction provided.
Short definition	Provision of leadership for a common course. To strive to achieve and influence stakeholders towards a strategic direction.
Purpose/importance	To provide political leadership and guidance to the department by engaging stakeholders in order to ensure that they contribute towards the fulfilment of the department's mandate.
Source/collection of data	Annual Report, MinMEC reports, Executive Council reports, Stakeholder engagement session feedback reports.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General Administration

Indicator title	SO 1.2 : Overall accountability, integration and implementation of strategy improved.
Short definition	Improved of strategic management services for enhanced accountability.
Purpose/importance	To improve the department's strategy planning, strategy implementation and strategy control and monitoring in response to the needs of rural communities.
Source/collection of data levels	Policy speech, strategic plan, budget statement, Executive Management reports, Masilime magazine, quarterly and annual reports, Cluster reports, In-year reports, and annual financial statements.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General Administration

Indicator title	SO 1.3 : Overall financial, human and technology management support provided.
Short definition	Improved management of all resources to achieve the set goals of the department.
Purpose/importance	To improve financial, human and technology management by financial planning and reporting, supply chain management, internal controls and the management of human resources.
Source/collection of data	Auditor General reports, Audit Committee reports, Feedback reports from National and Provincial Treasury, Management Performance Assessment Tool (MPAT) results from the Department of Performance Monitoring and Evaluation.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General Administration

Indicator title	Goal 2 : A thriving farming sector and access to affordable food.
Short definition	Improved farming sector producing food for all.
Purpose/importance	To support at least 500 000 farmers with appropriate cropping, livestock production technologies and economic growth for sustainable livelihoods.
Source/collection of data	Monthly and quarterly reports from the Districts, Scientific and semi-scientific papers published, Scientific seminars presented by scientists and commodity group information on crops and livestock production.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General: Agricultural Development

Indicator title	SO 2.1 Improved livestock production
Short definition	Improved livestock production using new and adaptable technologies.
Purpose/importance	To promote and support the development of 6,5 LSU so as to improve access to affordable animal product and fibre production.
Source/collection of data	Quarterly reports from the Districts, Scientific and semi-scientific papers published, Scientific seminars presented by scientists and commodity group information on livestock production.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General: Agricultural Development

Indicator title	SO 2.2 Increased crop production.
Short definition	Increased crop production using new and adaptable technologies.
Purpose/importance	To promote and support the development of increased food production by farmers using the latest technologies.
Source/collection of data	Quarterly reports from the Districts, Scientific and semi-scientific papers published, Scientific seminars presented by scientists and commodity group information on livestock production.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General: Agricultural Development

Indicator title	Goal 3 : Coherent and co-ordinated rural development for improved quality of life
Short definition	Enhanced quality of life via improved rural development
Purpose/importance	To improve planning, implementation or rural development and monitoring thereof in a coherent and integrated manner for a better life in rural communities.
Source/collection of data	Annual Report, Quarterly reports, Monthly reports, Outcome 7 reports, Cluster Reports and ECRDA reports.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General: Rural Development

Indicator title	SO 3.1 : Rural development initiatives facilitated and co ordinated
Short definition	To improve facilitation and coordination of implementation of development initiatives.
Purpose/importance	To improve facilitation and coordination of implementation of rural development initiatives by promoting and supporting cohesion amongst private, NGO and government sectors.
Source / collection of data	Annual Report, Quarterly reports, Monthly reports, Outcome 7 reports and ECRDA reports.
Method of calculation	Simple count
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	New
Desired performance	Higher performance
Indicator responsibility	Deputy Director General: Rural Development

