



and



the Commissioner for the Restitution of Land Rights

**Strategic Project**

**Funding Proposal to the**

**National Skills Fund**

***Skills Development for  
Land Restitution***

DoL Reference Number	
Date Received	

## Application checklist

- |                                     |  |
|-------------------------------------|--|
| <input checked="" type="checkbox"/> | The proposal is complete and in accordance with the application format     |
| <input checked="" type="checkbox"/> | One original and one copy of all documents have been submitted             |
| <input checked="" type="checkbox"/> | The declaration by the applicant (paragraph 10) is signed                  |
| <input checked="" type="checkbox"/> | Partnership statement (Annexure C) is included                             |
| <input type="checkbox"/>            | The budget is presented in the format of the application form (Annexure D) |

## Contents

<b>Annexure A:</b> .....	<b>3</b>
Project Summary .....	3
<b>Annexure B</b> .....	<b>5</b>
1. Background and context .....	5
2. Objectives .....	7
2.1 Overall Objective .....	7
2.2 Specific Objectives .....	8
3. Project Beneficiaries .....	8
4. Project Results .....	9
4.1 Project Deliverables .....	9
4.2 Expected Impact on Beneficiaries .....	10
4.3 Multiplier Effects .....	10
4.4 Sustainability .....	11
5. Project Activities .....	11
6. Project Implementation Plan .....	12
6.1 Methodology .....	12
6.2 Capacity to Implement Project .....	13
6.3 Project Governance and Oversight .....	14
6.3 Project Governance and Oversight .....	15
6.4 Project Monitoring and Evaluation.....	16
7. Stakeholder Analysis.....	21
8. Project Risks and Constraints .....	21
8.1 Project Assumptions.....	21
8.2 Project Risks .....	22
8.3 Project Risk Matrix .....	23
10. Declaration by the Applicant.....	25
<b>Annexure C: Partnership Statement</b> .....	<b>26</b>
<b>Annexure D: Strategic Project Budget and Quarterly Cash Flow Projections</b> .....	<b>27</b>
D.1 Project budget and cash flow Year 1: 2009-2010 .....	28
D.2 Project budget and cash flow Year 2: 2011 - 2012 .....	32
D.3 Project budget and cash flow Year 3: 2011 - 2012 .....	35
D.4 Project budget and cash flow Year 4: 2012 – 2013.....	38

## Annexure A: Project Summary

- 1.1 Project Title: Skills Development for Land Reform
- 1.2 Project Location: AGRI SETA
- 1.3 Project Sites: A total of 150 projects will be assessed for using an agreed selection criteria and 50 projects will be identified to be the focus of skills development interventions as part of this project. 118 suitable projects have already been identified and a further 32 are being sourced.
- 1.4 Beneficiaries: A total of 4 750 individuals will be trained:  
2 000 members of governance structures will be trained in a 30 credit skills programme; 750 managers will be trained in a three year management learnership; 2 000 farm workers (blue and white collar) will be trained in a 30 credit skills programme appropriate to the agricultural enterprises within each project. Each project will be supported by experienced commercial farmers acting as mentors.
- 1.5 Project Budget:

Year 1	13 385 310
Year 2	37 257 156
Year 3	32 560 164
Year 4	25 664 217
<b>Total budget for project</b>	<b>108 866 847</b>
Project management	12 707 477
SETA contribution	20 000 000
<b>Total NSF draw down</b>	<b>88 866 847</b>

- 1.6 Project duration: Expected Start Date: 1 June 2009  
Expected End Date: 30 September 2012
- 1.7 Project Activities

Nature of activity	Learner intake	Year 1	Year 2	Year 3	Year 4
Recruitment and selection	12 000	4 000	4 000	4 000	None
Training needs assessment	12 000	4 000	4 000	4 000	None
Governance training	2 000	500	1 000	500	Dependent on further funding

<b>Nature of activity</b>	<b>Learner intake</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
Management training	750	250	500	0	Dependent on further funding
Technical training	2 000	500	1 000	500	Dependent on further funding

## Annexure B

### 1. Background and context

In 1994 the Restitution Act, Act (No 22) of 1994 (as amended) was promulgated. The aim of the Act was to provide for the restitution of land rights to persons or communities dispossessed as a result of past racial discriminatory laws and practices. The Commission on Restitution of Land Rights was established in 1995 in terms of this Act to

- Provide equitable redress and restoration to victims of these dispossessions; particularly the landless and rural poor.
- Contribute towards equitable redistribution of land in South Africa.
- Promote reconciliation through the restitution process.
- Facilitate development initiatives by bringing together all relevant stakeholders, especially the Provincial Government and Municipalities.

Restitution flows from Chapter 2 Section 25 (property clause) of the Constitution (Act 108 of 1996). It is the commitment of the South African government to reverse the effects of colonialism and apartheid. It is one of the three legs of land reform in South Africa which include:

- **Redistribution:** aims to provide the disadvantaged and the poor with access to land for residential and productive purposes. Its scope includes the urban and rural poor, labour tenants, farm workers as well as new entrants to agriculture.
- **Land Restitution:** covers cases of forced removals, which took place after 1913. They are being dealt with by a Land Claims Court and Commission, established under the Restitution of Land Rights Act of 1994
- **Land Tenure reform:** is being addressed through a review of present land policy, administration and legislation to improve the tenure security of all South Africans and to accommodate diverse forms of land tenure, including types of communal tenure (ownership).

Land reform is a National Government imperative. The target is for 30% of land to be black owned by 2014.

The White Paper on South African Land Policy (Section 4.13) stipulates that the goal of the Restitution Policy is to restore land and provide other remedies to people dispossessed by racially discriminatory legislation and price, so as to provide support to the process of reconciliation, reconstruction and development.

Approximately 79 696 claims were lodged and 74 817 settled by 31 July 2008. The outstanding claims, approximately 6 000, that need to be settled by 2011 are mostly rural agricultural community claims. The claims generally involve large tracts of land and each project involves many hundreds of individuals.

Settlement is a lengthy process that is broadly structured in two parts. The first part of the process is the claim itself, resulting, at the end of some years, in a legal settlement of a

claim. The second part involves the planning and implementation of the settlement agreement, which includes capacity building of which formal training is an important element. The Commission has funds to support those wishing to develop their land as a farm or agri-business, and in which issues such as capital investment and infrastructure can be addressed.

The Commission, however, does not have funding for skills development and has therefore formed a partnership with AgriSETA to assist. Given the central importance of skills development to successful land reform, the Commission has signed a Memorandum of Agreement with the AgriSETA to address this challenge.

Not all claims result in the possibility of a viable farming business. Many are settled by means of financial compensation. In others, factors exist to militate against the establishment of a farm. It has been agreed that this project will focus on 150 viable farming projects.

Most of those who successfully (re) acquire land as a result of claims can be described as under resourced farmers. The term **under-resourced farmers** is defined and used in the AgriSETA Sector Skills Plan to describe the skills needs of some 650 000 people who own some land but who have neither the technical or management skills to build and sustain an effective agri-business. AgriSETA has developed a sound understanding of the skills needs of these emerging (under-resourced) farmers and the Sector Skills Plan captures how these needs will be addressed through skills development interventions.

Some of the settlements involve the transfer of a currently viable farm or group of farms to a community or group of beneficiaries within a community. In these circumstances the needs are for the new owners to gain skills speedily to enable them to maintain an existing viable business. The SETA has programmes agreed and providers accredited to deliver appropriate training to such beneficiaries. The focus is therefore on both the development and sustainability of farming enterprises.

This project is located within the government overarching policy of redressing injustices in relation to land access, ownership and use, as well as the SETA imperative of supporting new and emerging (under-resourced) farmers to move from subsistence to commercially viable farming businesses.

During 2008 the Commission identified 118 projects where the claims have been settled and land has been transferred, but where the beneficiaries are finding it difficult to establish and/or sustain viable agricultural enterprises. It is anticipated that the number of priority projects will grow during 2009 to around 150. However the Commission is currently actively engaged in assisting 118 and these will be the initial focus of the NSF strategic project.

In each project the Commission has identified the challenges being faced, which include access to funds, access to markets and various gaps in terms of equipment and materials. The Department of Agriculture is assisting in identifying specific interventions that will be jointly implemented in the coming years. Funds are being identified or sourced for such interventions as business planning, market research, the purchase of seeds and equipment and the like. Each of the identified projects is the responsibility of the Regional Land Commissioner who has established project steering committees in the 118 projects. Each

project has its own plan to address the challenges, and Regional Commissioners report to the Chief Land Claims Commissioner on project implementation.

One of the key weaknesses across all the identified projects is the capability of the beneficiaries to manage a successful enterprise. The skills needs are at three levels.

1. At governance level there is a need for successful claimants to establish effective policy and strategic decision-making and accountability structures.
2. At a management level there is a need for strong managers who can lead, plan and implement the agreed enterprise function. The function may be to keep animals, grow fruit, vegetables or other crops. Whatever the agreed enterprise there is a need for competent managers.
3. At administration and implementation (worker) levels there is a need for technical skills. The people engaged in the enterprise need up to date technical training in the field of agriculture they are engaged in.

In addition to formal training AgriSETA, in working with stakeholders in the sector, has identified an intervention that is part of learnership development, but which has wider application and benefits, namely **mentoring**. The Department of Agriculture is promoting mentoring and has recently identified some 200 potential mentors. Many established farmers have indicated that they are willing to provide advice and support to those who become farm owners and managers as a result of settled land claims. They see effective and efficient farms on land adjoining their land as being in their interest. Poorly managed farms carry risk for them, and many see the provision of practical support and assistance as being both sensible and a practical way of contributing to black economic empowerment within the sector. Mentoring acquires BEE points in relation to social responsibility in terms of the sector BEE Charter.

The SETA is working with a Dutch partner to refine the mentoring concept, train mentors and support the development of a comprehensive mentoring framework within which skills development can achieve significantly greater impact. It is planned to ensure that all the projects supported with NSF-funded skills development will also be supported by trained and committed mentors.

## 2. Objectives

### 2.1 Overall Objective

To support the process of Land Restitution with appropriate skills development interventions, so that those allocated land under this process can develop effective businesses and create sustainable employment for themselves and others in their communities.

The project touches on a number of national policy imperatives such as Broad Based Black Economic Empowerment (BBBEE), rural economic development, the focus on the second or informal economy and the national drive to accelerate economic growth and build sustainable food supply.

The project is central to the implementation of the AgriSETA Sector Skills Plan in relation to new and emerging (under-resourced) farmers, and will focus on the scarce and critical skills that have been identified for the sector.

It is the policy and practice of the AgriSETA to classify those who engage in training as 18.2 learners. This project is therefore 100% targeted at unemployed people. There will be a specific focus on rural women and youth.

## **2.2 Specific Objectives**

The specific objectives of this project are:

- I. To identify the most suitable 50 projects for the skills development initiative through a detailed needs analysis in each of 150 projects identified with the Commission.
- II. A governance skills programme for 25-30 people in the most 50 most appropriate of the 150 projects. 2 000 members of farm enterprise governance structures will be trained over three years.
- III. Management learnerships will be provided for 25-30 potential managers and supervisors in each of the 50 selected projects. 750 managers will be trained over the three years, though not all will have completed by the end of the three years as the programme required is three years.
- IV. Technical skills programmes will be provided to 25-30 people in each selected projects. 2 000 technical staff will be trained over the three years.
- V. The provision of mentoring by commercially successful farmers for a three year period to support those being trained to build and manage sustainable enterprises. 400 managers will be identified for mentoring and will receive support for the duration of their learnerships.

## **3. Project Beneficiaries**

This project is planned as an intervention to support 50 settled land claims. In each of the 50 land claim settlements there will be those who will play a leadership and governance role, those who will have a management role and those who will be engaged in the technical work in the types of farming that have been identified in the particular project. The people identified will have little formal education and little or no management or technical competence, though there will be those who have worked as labourers. The intention will be to build competence using specially developed learnerships and skills programmes that are at the lower levels (1-4) on the NQF, but which nevertheless acknowledge the leadership and management challenges faced by claimants who have the possibility of developing a viable farm for the first time in their lives, but who have not been prepared for such a possibility in the past.

In each of the 50 projects there will be a process of identifying the appropriate people to take part in the project. This will be done in a participative way with the community leaders and counsellors. It will also be important to work with the Department of Agriculture to identify people who have expressed an interest in agricultural work. In particular there will be a need to identify young people who have an interest in farming as a career.

The targeted numbers are shown in the table below and target beneficiaries will be in the different categories in each of the 50 identified projects.

Training	Black		Disabled		Youth		Total
	M	F	M	F	M	F	
Governance	1 000	1 000	50	50	250	250	2 000
Management	375	375	10	10	50	50	750
Technical	1 000	1 000	50	50	250	250	2 000
Grand Total							4 750

## 4. Project Results

### 4.1 Project Deliverables

The project will result in the following being achieved:

- 4.1.1. A comprehensive needs analysis report on 50 priority land restitution projects where settlement involves plans to develop or sustain the land as an agricultural enterprise or enterprises. The report will outline why the 50 have been selected from the 150 identified by the Commission. It will also highlight the potential for additional projects to be supported, should additional funding become available, either during or after the completion of this R100 million three year strategic project.
- 4.1.2. 2 000 community members from the projects trained in governance and leadership, and supported in establishing effective governance structures for agricultural enterprises.
- 4.1.3 750 enterprise managers and supervisors trained in farm management, and supported to establish a variety of agricultural enterprises.
- 4.1.4. 2 000 farm managers, supervisors and operatives trained in the technical aspects of the various enterprises being formed.
- 4.1.5. A report on the implementation of skills development within each project, including a report on mentoring provided and the effectiveness and sustainability of the enterprises established.

## 4.2 Expected Impact on Beneficiaries

The purpose of building capacity within restitution projects is to facilitate the establishment of sustainable enterprises that provide food and income to the communities concerned and to contribute, in a commercial manner, to food security in South Africa. The impact on those taking part will be:

- 4.2.1 An improved understanding of the needs of persons engaged in agricultural enterprises, in relation to education and training.
- 4.2.2. Leaders with the capabilities within the affected communities to establish structures for the ownership, leadership and governance of the enterprises being established;
- 4.2.3. Managers and supervisors with the skills to plan, manage and report on enterprise development in various types of agricultural production as commercial enterprises.
- 4.2.4. Workers in the enterprises who have the technical skills required to produce and process quality goods.
- 4.2.5. Enterprise leaders and managers who are supported by experienced farmers to establish effective production, marketing and sales processes.

## 4.3 Multiplier Effects

It is proposed to manage this project in a developmental and participative manner that will involve communities in building and sustaining effective enterprises. There will not be a single approach to enterprises and so there will not be a single set of impacts. However it can be anticipated that in each project there will be a number of direct and indirect benefits. These will include, but not be restricted to:

- 4.3.1. The beneficiaries currently engaged in sub-optimal farming will become commercial producers, who will engage economically in their local communities and in the wider agricultural market. Sustainable livelihoods will be the direct result of the interventions.
- 4.3.2. There will be existing commercial enterprises transferring ownership to new black owners who have little or no experience in managing such an enterprise. Success in such farms will be the continuation of the farm with sustained and where possible increased production.
- 4.3.3. The enterprises established will start to offer employment to others in the communities, and so job creation is a likely outcome of many of the projects.
- 4.3.4. By engaging mentors from the established farming communities the new enterprises, and new management of existing enterprises, will have support in gaining access to established markets as well as building relationships with suppliers and other role players such as co-operatives and sources of finance. There will be the possibility of subsistence or informal economy players being integrated into the mainstream or first economy.
- 4.3.6. This project, if successful, will result more of the nation's food requirements being met from within South Africa. It is the expectation of project stakeholders that food

production within the country will increase, and that the current situation where the country is a net importer of food will be reversed, with SA becoming a net exporter.

#### 4.4 Sustainability

One of the key benefits of the skills development project being funded through the NSF as part of the overall capacity building being located within the Land Restitution projects is that it will be done in conjunction with other vital work being done prior to, during and after the skills development interventions. A critical stage of the Land Restitution process is the mobilization of resources for enterprise development. Work will be done by the Commission and its agents to bring about local infrastructure development (roads, bridges, electricity and water supply etc), and financial institutions will be approached to provide funding for equipment, seeds, livestock and fertilizers.<sup>1</sup> The training input will be part of a comprehensive approach to enterprise development that recognizes the historical disadvantage experienced by the affected communities and assists them in moving towards realistic enterprise development models. By managing each project in this way and integrating skills development as part of such a comprehensive approach, it is believed that the outcome will be genuinely sustainable enterprises.

### 5. Project Activities

The following sets out the proposed intake of learners over the three years of the project. The process will be to conduct recruitment and selection, carry out assessments of the learners and their needs and then commence programmes for the three categories of learners in the programme.

Nature of activity	Learner intake	Year 1	Year 2	Year 3	Year 4
Recruitment and selection	12 000	4 000	4 000	4 000	None
Training needs assessment	12 000	4 000	4 000	4 000	None
Governance training	2 000	500	1 000	500	Dependent on further funding
Management training	750	250	500	0	Dependent on further funding
Technical training	2 000	500	1 000	500	Dependent on further funding

---

<sup>1</sup> Note the commission agree to this formulation

## 6. Project Implementation Plan

### 6.1 Methodology

The project implementation plan is set out in detail. The stages of the plan are as follows:

Project phase	Description	Activity
Project start up (Months 1 and 2)	During this phase the contract will be finalised with the NSF, the 150 projects will be identified and project management arrangements will be established	Present project to NSF
		Meet Commission to identify 150 projects and then select 50 from these
		Appoint project manager
		Approve detailed work plan
		Negotiate and sign contract with NSF
Recruitment and selection of learners (Months 3-6)	During this phase there will be extensive work in each of the affected communities to recruit, select and assess the needs of the beneficiary learners. The work will continue in years 2 and 3 as more communities become involved	Conduct stakeholder analysis in each project
		Establish (within existing stakeholder project structures) appropriate forums for planning and reporting on skills development
		Identify potential learners
		Assess and select learners
Appointment of providers and mentors (Months 4 -7 and then ongoing)	Following the procurement policies and procedures of AgriSETA providers and mentors will be selected and contracted. Initially this work will be done by consultants working with SETA staff. The work will then be taken on by contracted Strategic Project staff.	Design programme delivery structure
		Develop TOR
		Advertise
		Shortlist and interview
		Appoint and contract
Payment of learner allowances (From second half of year 1)	Processes need to be established to make payments to learners who are in learnerships as 18.2 learners. These payments will commence in the second half of year one then increase in years 2 and 3.	Identify 18.2 learners
		Establish systems in the SETA
		Put in place contracts with learners
		Pay learner allowance (half year)
		Monitor and report
Payment of providers and reporting on learner progress (from second half of year 1)	There will be an ongoing process of managing some 300 provider contracts and intervening where problems occur. The approach will be to create "classes" of 20-30 learners in local communities. The providers will be contracted per class and will report on attendance, assessments, and outcomes, including learners leaving	Initiation of contracts and Induction of learners
		Fees payment for governance skills programme
		Fees payment for 3 year management learnerships
		Fees payment for Technical skills programmes

Project phase	Description	Activity
	and their replacement.	Fees payments to mentors
		Management and interventions (10 days per project)
Project management. Monitoring and reporting	There will be a project manager and support staff within AgriSETA to ensure that all spending is reported on and accounted for monthly and quarterly. These staff will be in place within six months of the start of the project.	Project manager (4 year contract)
		Administrators
		Project travel and accommodation
		Regional Coordinators (18)
		Data capturers

## 6.2 Capacity to Implement Project

AgriSETA has successfully managed three previous NSF projects and is currently engaged in a fourth.

1. From 2000-2005 the SETA implemented a R33 million project. (18.2 learnerships, skills programmes, mentorships)
2. From 2004 – 2006 the SETA implemented a R42 million project. (18.2 learnerships)
3. From 2006 – 2007 a R17 million project (18.2 learnerships)
4. From 2009 a R18 million project (in which the NSF contribution is R8 million) (accelerated artisan development project).

All of the project deliverables were achieved and/or exceeded. Reports were submitted and approved within the NSF. The SETA therefore has a strong track record of delivery of NSF funded projects.

The AgriSETA has developed a range of partnerships that will assist in mobilizing the various resources needed for this project. There will be assistance provided by the Department of Agriculture, and in particular the extension officers of the Department. The Commission will be providing project support to all of the participants from the time that their claim is settled.

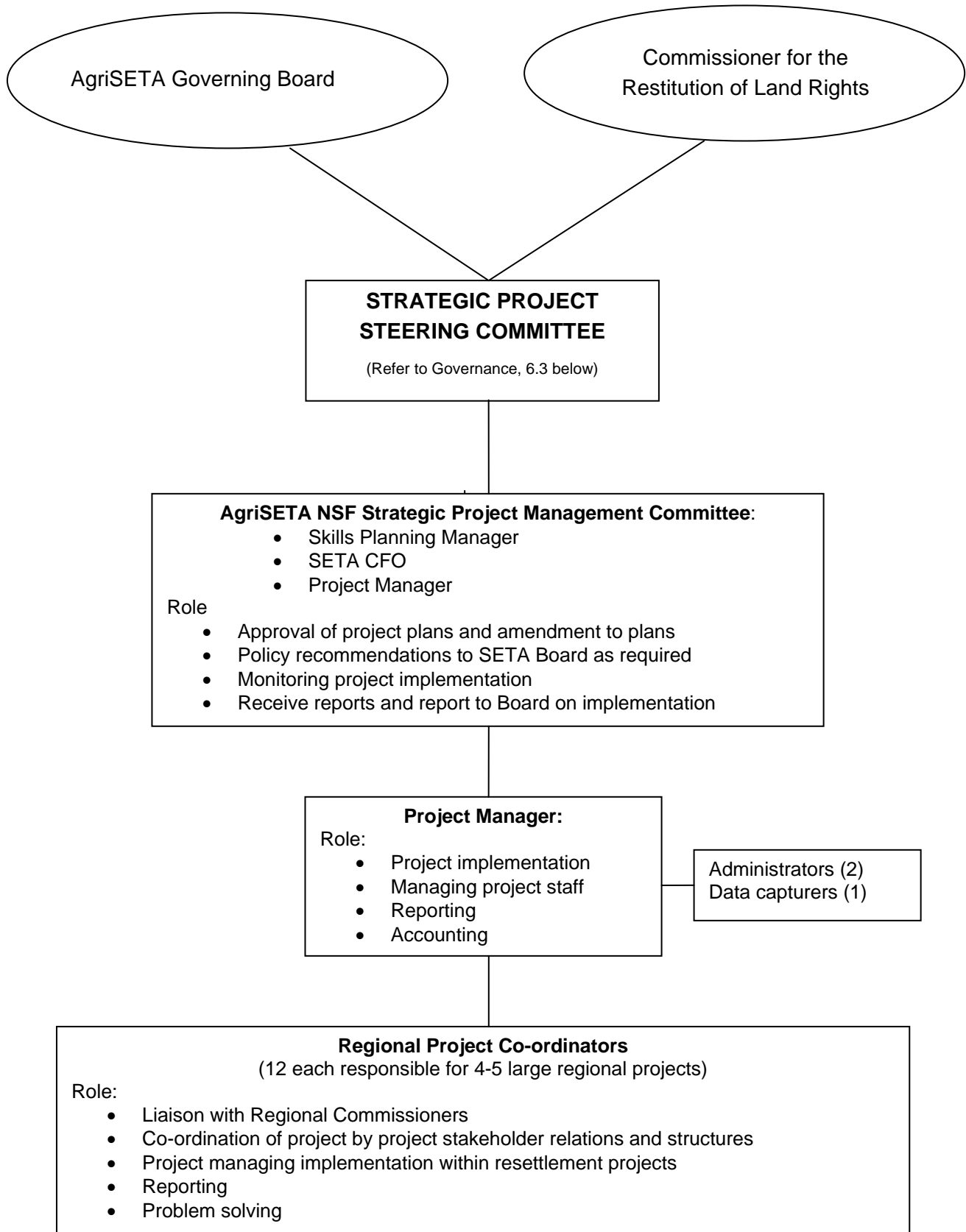
AgriSETA has a network of over 200 accredited providers who have worked with the SETA to develop skills programmes and learnerships that are at the appropriate level for emergent, small (under-resourced) farmers as well as new owners and managers taking responsibility for existing commercial farms. This has been a key project of AgriSETA in recent years – ensuring that skills are being developed at a realistic level, given the high levels of skills needed, and the relatively low current education levels of those taking on these challenging responsibilities.

In the initial phases of the project a team of consultants will be appointed to get the project off the ground until full time project staff are appointed.

The project team will consist of a Project Manager, three administrators, three data capturers and 12 Regional Coordinators (linked to Land Commission offices). The provider contracts

will include monitoring and reporting requirements that will also add capacity to the project team.

The following diagram sets out the structure for project management.



## 6.3 Project Governance and Oversight

### 6.3.1 National structures

A high level NSF Strategic Project Steering Committee (to be known as the project steering committee) will be established. This committee will include:

- the SETA CEO or his/her representative;
- the Chief Land Claims Commissioner or his/her representative;
- the SETA Skills Planning Manager;
- the SETA CFO;
- a SETA employer representative from the Governing Board;
- a SETA Labour representative from the Governing Board;
- a Department of Agriculture representative.

Governance arrangements for this project are extremely important. The oversight committee must have both stakeholder, enterprise management, financial and skills development expertise. The following will be the terms of reference or mandate of the project oversight structure:

- Approval of the DoL contract for the project, and any variations required over the period of the contract, so that the SETA Board, CEO and the Commissioner can be assured that the project is competently developed and that effective management is in place;
- Approval of each individual restitution project. There will be a set of projects taken to project steering committee meetings, and the committee will put in place and review criteria (geographical, equity, mix of emerging and established farms etc), and approve the projects based on the criteria.
- Receive and assess reports on project implementation, and sign off on reports to the SETA Board, the Commission and Department of Labour.
- Identify challenges, discuss changes to the project plan and/or interventions to keep the project plan on track.
- Monitor the commitments made by stakeholders, and intervene where the project assumption on stakeholder inputs are not being achieved (for example access to funding, infrastructure development, markets, co-operatives etc). It is intended that the steering committee will provide the political and stakeholder support, including practical interventions that are so essential to the success of enterprises formed as part of Land Restitution processes.
- 

### 6.3.2 Regional/Project-based accountability and oversight

Restitution projects are the responsibility of Regional Commissioners, who establish project steering committees that oversee and co-ordinate the (post) settlement support programme of the Commission. It is proposed not to establish new structures separate from those

already established. Accountability at a project level will be through the established project structures for each of the settled projects. There will be a need for the precise mechanisms for planning and reporting of skills development to be negotiated and agreed with the stakeholders represented in the project steering committees. The SETA will seek to establish a forum specifically focusing on skills development within the overall framework of (post) settlement support. This forum may be a sub-committee of the project steering committee or other agreed structure. Regional Land Commissioners will take responsibility for establishing and supporting the required structures. It will be the responsibility of the SETA Regional Co-ordinator to liaise with the Regional Land Commissioner and project stakeholders in a structured manner.

Project based structures will be important, and will have the following roles and functions:

- The identification of beneficiaries of the programmes. There are limited resources and these need to be targeted at the most appropriate individuals. It will be important for local stakeholders to agree fair and appropriate processes for the selection of learners for skills programmes and learnerships.
- Communication of skills development interventions. It will be important to communicate well so as to manage expectations and explain selection processes. There will be a natural expectation that opportunities should be expanded to more people that can be trained, and it is important that local stakeholders take responsibility for the process and criteria for the selections made. It will be crucial to ensure that selection is aligned to the overall project objectives and focus on achieving viable and sustainable enterprises.
- Monitoring implementation and addressing implementation challenges. There will be instances of poor attendance at training, inadequate support in the practical aspects of the training, and other problems common to learnerships and skills programmes in the sector. There will be a need for stakeholder engagement around the challenges so that the SETA Regional Coordinator can intervene and address the problems as they arise.

## 6.4 Project Monitoring and Evaluation

The project plan for the three years of the project has been developed with clear deliverables for each quarter. The project deliverables will be achieved through the setting of SMART objectives and activities that will lead to the objectives being achieved. Monitoring will be built in to the entire project. The following table sets out the project outputs, and proposes both quantity and quality measures that will be monitored on a quarterly basis. This report format will be adapted in discussions with the Department of Labour, so as to achieve common and agreed monitoring. The aim will be to complete a similar quarterly form for each quarter over the three years of the project. The table below is for year one only and is designed as an example of what the SETA's approach will be to the monitoring and evaluation of this project.

Project output	3 year output	Year 1 target	Quantity indicator	Quality indicator	Measures	Level of achievement	Gap or shortfall	Plans to address shortfall	Decisions required
Project start up	Effective planning, co-ordination, monitoring and reporting arrangements are in place to enable effective implementation of the strategic DoL/NSF project	Consultants appointed and managed. Contract staff appointed and working effectively	PM (1); Admin (3); Field workers (18); data capturers (3), in post and performance measured and reported on	Policies and procedures developed and implemented for effective and efficient implementation	Contract; Policies and procedures; project plans approved by steering committee; project reports; consultant contracts and reports; staff performance reports				
Recruitment and selection	4750 learners recruited and trained in accordance with their needs and that of the restitution settlement	500 in governance, 250 in management, 500 in technical	1250 enrolled and trained	Attendance and drop out rates; Satisfactory learner achievement; Learner satisfaction	Learner contracts with provider and SETA; attendance registers; assessment reports; learner assessments				
Assessments	1200 learners selected for assessment, of which 4750 are assessed and allocated to appropriate courses	4000 assessed and 1250 placed	1250 places filled	Learner placed in courses at the appropriate level for them to benefit and improve their effectiveness is their role in the project	Assessment reports; induction reports from courses; provider reports on learner attendance and progress; learner reports;				

Project output	3 year output	Year 1 target	Quantity indicator	Quality indicator	Measures	Level of achievement	Gap or shortfall	Plans to address shortfall	Decisions required
Appointment of providers	Appropriately qualified and accredited providers are appointed, managed, paid and reported on to achieve quality training for 4750 learners	Approximately 50 contracts entered into with providers, managed and reported on	Approximately 50 contracts in place for classes of 25-30 learners each; contracts monitored and reported on; learner achievements monitored and reported on by providers	SETA procurement processes followed; quality of course management; programme delivery standards	Assessment reports; induction reports from courses; provider reports on learner attendance and progress; learner reports; field worker reports.				
Learner allowances	Learner allowances paid to 750 learners enrolled in learnerships	250 enrolled and paid for two quarters	250 allowances paid	Systems functioning well; allowances paid monthly and within one week of the agreed date for payment	Learner contracts; audit reports; payment records; provider, learner and field worker reports				
Provider payments	Payments are processed on the basis of invoices for programmes delivered according to contracts and to agreed quality standards	Approximately 50 contracts are successfully implemented to train 1250 learners, and providers paid	Payments made according to contracts	Payments made on basis of well documented evidence of quality delivery. Problems are identified and addressed with providers	Provider reports; attendance registers; learner reports; field worker reports; audit reports				

Project output	3 year output	Year 1 target	Quantity indicator	Quality indicator	Measures	Level of achievement	Gap or shortfall	Plans to address shortfall	Decisions required
Governance Skills programmes	2000 governance body members trained in skills programmes	500 trained	500 attend and are assessed	Governance structures are functioning effectively. Training is acknowledged as assisting in this	Attendance registers; provider reports; field worker reports; governance structure reports				
Management learnerships	750 managers trained in 3 year learnerships	250 managers enrolled and complete two quarters of training	250 managers trained	Those enrolled are managers of farm enterprises and are at an appropriate level for the course; managers are putting in place what they learn and are managing enterprises	Attendance registers; provider reports; field worker reports; governance structure reports; mentor reports				
Technical skills programmes	2000 technical workers on farms trained in skills programmes	500 trained	500 attend and are assessed	Farm and agricultural enterprises are functioning and skills levels are improving	Attendance registers; provider reports; field worker reports;				

Project output	3 year output	Year 1 target	Quantity indicator	Quality indicator	Measures	Level of achievement	Gap or shortfall	Plans to address shortfall	Decisions required
Mentor payments	80 experienced agricultural enterprise managers appointed as mentors to managers and provide valuable practical assistance	40 mentor contracts entered into and managed	40 mentors assisting 200 managers	Managers are benefitting from the mentoring and implementing effective management in the farms	Mentor contracts; mentor reports; mentee reports; field worker reports				
Project Management	Project Management arrangement put in place function effectively throughout the project	Project is reported on quarterly and outputs and deliverables achieved according to the agreed work plan and contract	Quarterly reports approved by the steering committee	Project team is acknowledged as functioning well and achieving the agreed performance standards	Quarterly project reports; steering committee minutes; performance management reports				

## 7. Stakeholder Analysis

An analysis of stakeholders has been done by the SETA and the Commission, which is set out in the table below:

Stakeholder	Role in project
AgriSETA	Managing the project
Land Commission	Co-ordination and management of the project with SETA and Regional Commissioners
Regional Land Commission	Provide beneficiaries; ensure alignment of training to needs; Responsible for the management of restitution projects, including (post) settlement support; stakeholder liaison
Department of Agriculture	Guidance on the needs of agricultural enterprises; strategy in relation to enterprise support
Provincial Department of Agriculture	Direct support to projects; extension officers
Local municipality	Provision of services; IDP; LED
Agricultural worker unions	Representing, and safeguarding the interests of, workers within projects
Provincial government	Political support and buy in; co-ordination and communication between and Departments; clarifying responsibilities
AgriSA/TLUSA/NAFU	Mentoring support; market identification and access

The key roles of the two main stakeholders of the project – AgriSETA and the Commission – are set out in more detail in the Memorandum of Agreement attached to this proposal. It will be important when training the project Regional Co-ordinators and administrative staff, that there is extensive engagement with stakeholders. In the detailed project plans at project level, the roles of stakeholders will be set out in detail. Stakeholders will be requested to make commitments in relation to the project. It is important to emphasise that skills development is understood as one element of (post) settlement support, and that the other interventions are critical to the longer term impact of the training.

## 8. Project Risks and Constraints

### 8.1 Project Assumptions

In defining the risks it may be sensible to first outline some of the assumptions underpinning this project. The assumptions are that:

- The Land Commission is able to identify at least 50 (preferably 150) viable restitution projects that involve a genuine transfer of agricultural land.
- Within each settlement identified there is genuine commitment by beneficiaries to develop and manage viable agricultural enterprises.

- That the various stakeholders in the land reform process accept their responsibility and fulfil their obligations. Skills development is only part of land reform. Funding, infrastructure development and equipment are also important.
- The amounts proposed for consultant daily rates, salaries for staff and payments to providers are appropriate to attracting quality and reliable capacity for the work of the project.

## 8.2 Project Risks

There are risks associated with any of these assumptions being incorrect, or poorly analysed in the early phases of the project. There will be work done on each of these assumptions to verify their correctness.

The risks that are associated with similar projects have included:

- *Learners in learnerships often enter them in order to obtain the learner allowance.* Careful selection processes are essential to ensure the appropriate people are recruited to the various programmes.
- *There is risk associated with the fact that selections need to be made.* Not all land claim beneficiaries can be trained. Expectations may be high and there will be disappointment and even opposition and disruption if expectations are not carefully managed.
- *Projects can fail because they are not rooted in the needs of communities.* It is hoped that the participative approach proposed for the initial stages of this project will address this. Also the effective engagement of stakeholders throughout the project will assist in keeping the proposed training aligned to the needs of land restitution settlement communities.
- *There is always the risk of corruption and fraud where large sums of money are involved.* The establishment of reliable policies and procedures should address this, including the involvement of the SETA CFO in the project steering committee. The SETA internal audit will monitor the spending within the project, including the critical aspect of supply chain management and contract management.
- *Working with disadvantages communities and individuals involves a number of risks associated with poverty.* HIV/AIDs, poverty related illness, child headed households, child labour – particularly at harvest time – and other challenges that cannot be predicted are all potentially going to surface during the project. It is important to have a clearly thought out and consulted approach to the problems and to be prepared to address them in a sensitive and professional manner.
- *Because of all the above mistakes will be made.* It is important that processes are built into the project management and oversight structures that enable effective responses, including where necessary changes to the project plan. Where commitments are made by stakeholders and role players which are not being honoured it is important that this is addressed.

### 8.3 Project Risk Matrix

The table following lists the key risks, their assumed probability, likely impact and the proposed mitigation strategies and contingency plans that have been identified to address the associated risks.

Risk	Probability	Likely Impact	Mitigation strategy	Contingency planning
Restitution projects not suitable	<b>Low</b>	Skills development can only be meaningful if appropriate beneficiaries are selected within a meaningful land reform project	It has been agreed between the SETA and the Commission that a careful process will be followed to select the 50 projects. Only where a functioning stakeholder committee and project plan is in place and actively being implemented will skills development programmes be offered. Only genuine agricultural enterprises will be supported.	In the event of a Restitution project being found to be wrongly selected there will be further projects that can be added to replace it. The proposed project steering committee will agree each project, and any changes in the projects.
Whilst the project is suitable the beneficiaries are not committed to developing or maintaining viable agricultural enterprises	<b>Medium</b> Availability of funds can incentivise people to enter programmes with no intention of applying the skills.	High drop out rates; low pass rates; skills not applied for the development and management of agricultural enterprises	Processes will be put in place to work with local communities and stakeholders to ensure appropriate selection of learners. The assessment of learners prior to programmes starting will also identify unsuitable candidates	It is planned to assess 12 000 applicants for 4 750 places in programmes. There will be a contingency list of 1 000 learners who can replace those learners who drop out or are found to be unsuitable.
Other stakeholders do not play their required role	<b>Medium.</b> Aligning all the interventions to support successful land reform is difficult	Beneficiaries can be trained to obtain the required skills but will not be able to develop a viable enterprise because they lack funds, access roads, machinery, or access to local markets and co-operatives	Stakeholder structures have been established in each of the restitution projects. Local project plans will be reviewed to ensure that all the (non-skills) needs are also addressed	The SETA will engage with national stakeholders to address problems when they occur. Regional Land Commissioners will be co-ordinating and reporting on project plan implementation and identifying challenges for provincial and national stakeholders to address
Some of the financial projections and	<b>Low.</b> There has been care given to paying fees that	There could be challenges in identifying suitable people and	The amounts in the project plans and budgets are an average. There is	During tendering processes providers will be identified who will be able to work

Risk	Probability	Likely Impact	Mitigation strategy	Contingency planning
assumptions for consultants, training provider fees and staff salaries prove inadequate to attract quality capacity	are appropriate and fair within the sector. The SETA has a good understanding of fee levels	organisations in some rural areas, which would lead to delays in starting programmes and poor delivery	room for savings in some areas that will enable additional amounts to be allocated where needed	in all parts of the country. Where additional funds are required they will be found within the budget
Fraud and corruption	<b>Medium.</b> Where significant funds are involved there must be an assumption that some fraud will be attempted	Corruption and fraud puts the project at risk and deprives targeted beneficiaries of quality training	During the first months of the project the policies and procedures of the SETA, which have been adequate in previous NSF projects, will be reviewed. The policies and procedures in the SETA will make fraud difficult. Monitoring will be thorough and detailed. Oversight will be strong through the steering committee	Where fraud or corruption is suspected there will be an immediate investigation and appropriate action will be taken
Unrealistic or false expectations raised. Resentment that some benefiting over others	<b>Medium.</b> The targeted communities have many needs. In the recruitment process 12000 potential learners will be identified for assessment, but only 4750 will initially be selected. There will be disappointment amongst those who apply and are not successful.	There will be complaints of unfair selection. There will be demands for increased numbers to be accommodated. Pressure will be put on the SETA and providers to do more than can be accommodated within available funds. If this is not handled carefully there could be disruption and delays to programmes.	There needs to be full support and agreement within each project on the processes and criteria for selecting learners. Stakeholders within each project will be asked to agree the selection and assessment methods and to communicate and explain them. There will be efforts made within the broader project plans to meet need and manage expectations.	Where a problem develops to a stage where the project may be disrupted or delayed a report will be made to both the project steering committee at project level and the national steering committee and a decision will be made on how to respond.

### 9. Detailed project budget

The detailed project budget is set out in four spreadsheets in Annexure D.

The following is the approach adopted and the key assumptions that inform the budget

- Due to the complexity of the project, care was taken that the project management and related administration costs do not exceed 15% of the project value
- Due to the geographical spread of the project, a total of 12 regional coordinators will be employed each managing 4 to 5 projects
- Standard AgriSETA grant amounts were used in costing learnerships and skills programmes
- Mentoring fees are based on AgriSETA experience in this field
- Specialist fees were limited to the first year of the project in order to ensure initial stability and detailed project implementation design.

### 10. Declaration by the Applicant

I, the undersigned, being duly authorized by the applicant Accounting Authority hereby certify that:

1. The information given in the application is correct;
2. The project is supported by the organization;

<b>Name</b>	
<b>Designation</b>	
<b>Signature</b>	
<b>Date and place</b>	

## **Annexure C: Partnership Statement**

The partnership arrangement between AgriSETA and the Commissioner for the Restitution of Land Rights is contained in a formal Memorandum of Understanding signed between these two institutions. This Memorandum is attached at the end of this project proposal.

## Annexure D: Strategic Project Budget and Quarterly Cash Flow Projections

The following table explains the basis of the various cost items that appear in the budget and cash flow projections:

Budget item	Breakdown/unit costs	Additional explanation
Senior consultant days	R4000	This is the maximum rate paid by the SETA and is for experienced people to assist with project establishment
Consultant days	R3000	This is the lower rate paid in the sector, and will be paid as the general rate
Skills programme per learner cost	R4500	This is based on an estimated cost of R150 per credit and a skills programme of 30 credits
Learnership annual provider fee	R18000	This is the amount paid in the sector for a 12 month programme
Learner allowance (per year)	R7500	This has increased from R4500 and will remain at this level for the period of the project
Project Manager salary (1)	R500000 with an 8% annual increase	This is cost to company and will attract a suitable person for four years
Regional Coordinator salary (12 located in the regions where the projects are)	R140000 with an 8% annual increase	This is a rate that compares well with salaries paid to field workers such as skills advisors
Administrator salary (2)	R120000	The administrators need to be skilled in office admin and good communicators
Data capturer (1)	R50,000	
SETA commitment	R20 million	The SETA will support the start up work with R5 million, and will set aside a further R15 million to guarantee learner allowances and provider fees for three years

### D.1 Project budget and cash flow Year 1: 2009-2010

Strategic project budget and cash flow for year 1: 01/04/2009 to 31/03/2010														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Project start up	Contract signing; project identification; project management arrangements and processes established. Senior consultant at R4000 per day	16	4000	64000										64000
Recruitment and selection	Community based selection of learners. Field based consultants paid R3000 per day	100	3000	300000	100	3000	300000	100	3000	300000				900000
Assessments	Learners assessed before starting programmes							2000	90	180000				180000
Appointment of providers	Providers and mentors appointed for first intake. Senior consultants employed at R4000 per day	20	4000	80000	20	4000	80000	20	4000	80000				240000
Learner allowances	Systems development. Senior consultant employed at R4000 per day	20	4000	80000	20	4000	80000	20	4000	80000				240000
	Initial (part) payments of annual R7500			0				250	1875	468750	250	1875	468750	937500

<b>Strategic project budget and cash flow for year 1: 01/04/2009 to 31/03/2010</b>														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
	allowance to learners in learnership (18.2)													
Provider payments	Provider mobilisation (consultant support) based on a daily fee of R3000 for 50 days per quarter	50	3000	150000	50	3000	150000	50	3000	150000	50	3000	150000	600000
Governance Skills programmes	Governance Skills Programmes provider fees of R4500 per learner. It is planned to run programmes for 250 learners each quarter from the 3rd quarter of the project							250	4500	1125000	250	4500	1125000	2250000
Management learnerships	Management learnerships provider fees of R18000 per learner per year. It is planned to run programmes for 250 learners each quarter from the third quarter so half the fee will be paid							250	4500	1125000	250	4500	1125000	2250000
Technical skills programmes	Technical Skills Programmes provider fees of R4500 per learner.							250	4500	1125000	250	4500	1125000	2250000

<b>Strategic project budget and cash flow for year 1: 01/04/2009 to 31/03/2010</b>														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
	It is planned to run programmes for 250 learners each quarter from the 3rd quarter of the project													
Mentor payments	It is planned to pay a fee of R1500 per month or R4500 per quarter to cover expenses incurred and a small allowance to 40 mentors to support 200 managers who are enrolled in learnerships							40	4500	180000	40	4500	180000	360000
Project Management	Project Manager salary R500,000							0.25	500,000	125000	0.25	500000	125000	250000
	Administrators (2) salary R120000							0.5	120000	60000	0.5	120000	60000	120000
	Field workers (12) salary R140000							3	140000	420000	3	140000	420000	840000
	Data capturers (1) salary R50000							0.25	50000	12500	0.25	50000	12500	25000
Sub-total project management	Consultant and staff costs			524000			460000			1077500			617500	2679000
<b>Total</b>				<b>674000</b>			<b>610000</b>			<b>5431250</b>			<b>4791250</b>	<b>11506500</b>
VAT @ 14%				94360			85400			760375			670775	1610910
Disbursements	10% of project management costs			52400			46000			107750			61750	267900
Total expenditure				<b>820760</b>			<b>741400</b>			<b>6299375</b>			<b>5523775</b>	<b>13385310</b>

<b>Strategic project budget and cash flow for year 1: 01/04/2009 to 31/03/2010</b>														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Total NSF Drawdown per quarter	Total cost less SETA contribution of R8 million			320760			241400			4299375			3523775	8385310
<b>Other contributions</b>														
AgriSETA	R5 million has been allocated towards the start up phase			500,000			500000			2000000			2000000	5000000
Total others				500000			500000			2000000			2000000	5000000

**D.2 Project budget and cash flow Year 2: 2011 - 2012**

Strategic project budget and cash flow for Year 2: period 01/04/2010 to 31/03/2011														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Recruitment and selection of learners	Continues from year 1. Done by appointed project manager and field workers. Only cost is the assessment of learners	1000	90	90000	1000	90	90000	1000	90	90000	1000	90	90000	360000
Appointment of providers and mentors	The process of appointing providers continues. Done by appointed project manager and staff. So there will be no year two costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Payment of learner allowances	250 learners continue from year 1. Plus 500 new learners. The allowance is R7500 which will be paid at a rate of R1875 per quarter.	1875	750	1406250	1875	750	1406250	1875	750	1406250	1875	750	1406250	5625000

Strategic project budget and cash flow for Year 2: period 01/04/2010 to 31/03/2011														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Fees payment for governance skills programme	There be an ongoing process of 250 governance structure members being trained each quarter	4500	250	1125000	4500	250	1125000	4500	250	1125000	4500	250	1125000	4500000
Fees payment for 3 year management learnerships	In addition to the 250 learners continuing from year 1 there will be an additional 500 learners starting in 2010.	4500	750	3375000	4500	750	3375000	4500	750	3375000	4500	750	3375000	13500000
Fees payment for Technical skills programmes	There will be an ongoing process of training 250 learners per quarter in skills programmes	4500	250	1125000	4500	250	1125000	4500	250	1125000	4500	250	1125000	4500000
Fees payments to mentors	40 mentors mentoring 200 managers from year 1, joined by an additional 40 in 2010 for an additional 200 managers	4500	80	360000	4500	80	360000	4500	80	360000	4500	80	360000	1440000

Strategic project budget and cash flow for Year 2: period 01/04/2010 to 31/03/2011														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Project Management	Project Manager salary R500,000 increased by 8%	0.25	540,000	135000	0.25	600,000	150000	0.25	600,000	150000	0.25	600,000	150000	585000
	Administrators (2) salary R120000 plus 8%	0.5	129600	64800	0.5	80000	40000	0.5	80000	40000	0.5	80000	40000	184800
	Field workers (12) salary R140000 plus 8%	3	151200	453600	3	140000	420000	3	140000	420000	3	140000	420000	1713600
	Data capturers (1) salary R50000, plus 8%	0.25	54000	13500	0.25	50000	12500	0.25	50000	12500	0.25	50000	12500	51000
Sub-total project management	Staff costs			666900			622500			622500			622500	2534400
<b>Total</b>				<b>8148150</b>			<b>8103750</b>			<b>8103750</b>			<b>8103750</b>	<b>32459400</b>
VAT @ 14%				1140741			1134525			1134525			1134525	4544316
Disbursements	10% of staff costs			66690			62250			62250			62250	253440
Total NSF Drawdown per quarter				<b>9355581</b>			<b>9300525</b>			<b>9300525</b>			<b>9300525</b>	<b>37257156</b>

### D.3 Project budget and cash flow Year 3: 2011 - 2012

Strategic project budget and cash flow for Year 3: period 01/04/2011 to 31/03/2012														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Recruitment and selection of learners	Recruitment and selection continues. Done by project manager and the field workers. Only cost will be the assessment of a further 4000 learners	3000	90	270000	1000	90	90000							360000
Appointment of providers and mentors	The process of appointing providers continues. Done by project manager and staff. No year 3 costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Payment of learner allowances	750 learners continuing from previous intakes The allowance is R7500 paid at a rate of R1875 per quarter.	1875	750	1406250	1875	750	1406250	1875	750	1406250	1875	750	1406250	5625000

Strategic project budget and cash flow for Year 3: period 01/04/2011 to 31/03/2012														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Fees payment for governance skills programme	There be an ongoing process of 250 governance structure members being trained each quarter, but only for the first two quarters	4500	250	1125000	4500	250	1125000							2250000
Fees payment for 3 year management learnerships	As these are 3 year learnerships payments will continue for the 750 learners.	4500	750	3375000	4500	750	3375000	4500	750	3375000	4500	750	3375000	13500000
Fees payment for Technical skills programmes	Ongoing process of training 250 learners per quarter in skills programmes but only for the first two quarters	4500	250	1125000	4500	250	1125000						0	2250000
Fees payments to mentors	80 appointed mentors continue to be paid the R18000 annual payment	4500	80	360000	4500	80	360000	4500	80	360000	4500	80	360000	1440000

Strategic project budget and cash flow for Year 3: period 01/04/2011 to 31/03/2012														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Project Management	Project Manager salary R540,000 plus 8%	0.25	583,200	145800	0.25	583,200	145800	0.25	583,200	145800	0.25	583,200	145800	583200
	Administrators (2) salary R129600 plus 8%	0.5	139968	69984	0.5	139968	69984	0.5	139968	69984	0.5	139968	69984	279936
	Field workers (12) salary R151400 plus 8%	3	163512	490536	3	163512	490536	3	163512	490536	3	163512	490536	1962144
	Data capturers (1) salary R54000, plus 8%	0.25	58320	14580	0.25	58320	14580	0.25	58320	14580	0.25	58320	14580	58320
Sub-total project management	Staff costs			720900			720900			720900			720900	2883600
<b>Total NSF</b>				<b>8382150</b>		<b>8202150</b>		<b>5862150</b>		<b>5862150</b>		<b>5862150</b>	<b>28308600</b>	
VAT @ 10%				1173501		1148301		820701		820701		820701	3963204	
Disbursements	10% of staff costs			72090		72090		72090		72090		72090	288360	
Total NSF Drawdown per quarter				<b>9627741</b>		<b>9422541</b>		<b>6754941</b>		<b>6754941</b>		<b>6754941</b>	<b>32560164</b>	

**D.4 Project budget and cash flow Year 4: 2012 – 2013**

Strategic project budget and cash flow for Year 4: period 01/04/2012 to 31/03/2013 (Note NSF funding ceases on 30 September 2012)														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Recruitment and selection of learners	Activity will cease in 2012 and no further learners will be recruited and assessed unless further funding is agreed													0
Appointment of providers and mentors	Provider selection will not be necessary in the forth year.	0	0	0	0	0	0	0	0	0	0	0	0	0
Payment of learner allowances	Learner payments will continue into year 4. 250 will be completing third year, 500 will be entering their third year. It will be important to identify funds to enable these 500 learners to complete.	1875	750	1406250	1875	750	1406250	1875	750	1406250	1875	750	1406250	5625000

Strategic project budget and cash flow for Year 4: period 01/04/2012 to 31/03/2013 (Note NSF funding ceases on 30 September 2012)															
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals	
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total		
Fees payment for governance skills programme	No further skills programmes unless additional funding is secured													0	0
Fees payment for 3 year management learnerships	As these are 3 year learnerships payments will continue for the 750 learners.	4500	750	3375000	4500	750	3375000	4500	750	3375000	4500	750	3375000	13500000	
Fees payment for Technical skills programmes	There will be no further skills programmes in 2012 unless additional funding is secured													0	0
Fees payments to mentors	Efforts will be made to secure funding for the mentors to continue into 2012. NSF Strategic Project funding will cease in 2011														

<b>Strategic project budget and cash flow for Year 4: period 01/04/2012 to 31/03/2013 (Note NSF funding ceases on 30 September 2012)</b>														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
Project Management	Project Manager salary R583200 plus 8%	0.25	629856	157464	0.25	629856	157464	0.25	629856	157464	0.25	629856	157464	629856
	Administrators (2) salary R139968 plus 8%	0.5	151165	75582	0.5	151165	75582	0.5	151165	75582	0.5	151165	75582	302330
	Field workers (12) salary R163512 plus 8%	3	176592	529778	3	176593	529778	3	176593	529778	3	176593	529778	2119115
	Data capturers (1) salary R58320 plus 8%	0.25	62985	15746	0.25	62985	15746	0.25	62985	15746	0.25	62985	15746	62985
Sub-total project management	Staff costs			778572			778572			778572			778572	3114288
<b>Total NSF</b>				<b>5559822</b>			<b>5559822</b>			<b>5559822</b>			<b>5559822</b>	<b>22239288</b>
VAT @ 14%				778375			778375			778375			778375	3113500
Disbursements	10% of staff costs			77857			77857			77857			77857	311428
Total Expenditure	Disbursements			<b>6416054</b>			<b>6416054</b>			<b>6416054</b>			<b>6416054</b>	<b>25664217</b>
Total NSF Draw down	Total expenditure less the SETA contribution			<b>3416054</b>			<b>3416054</b>			<b>3416054</b>			<b>3416054</b>	<b>13664217</b>

<b>Strategic project budget and cash flow for Year 4: period 01/04/2012 to 31/03/2013 (Note NSF funding ceases on 30 September 2012)</b>														
Budget details	Notes	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			Annual totals
		units	Cost	Total	units	Cost	Total	units	Cost	Total	units	Cost	Total	
<b>Other contributions</b>														
AgriSETA	R12 million has been allocated towards guaranteeing year 3 learner allowances and provider fees			3000000			3000000			3000000			3000000	12000000
AgriSETA	Contingency of R3 million in the event of unforeseen costs in year 4			3000000										3000000
<b>Total others</b>				<b>6000000</b>			<b>3000000</b>			<b>3000000</b>			<b>3000000</b>	<b>15000000</b>