**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**2200. Mr R W T Chance (DA) to ask the Minister of Small Business Development:**

**(1) With reference to the contract signed between her department and a certain company (name furnished) for the provision of services to a group of agricultural co-operatives in KwaZulu-Natal, (a) how many of the specified co-operatives are receiving services from the specified company and (b) what amount has been allocated to (i) each of the co-operatives and (ii) the company from (aa) the Co-operatives Incentive Scheme and/or (bb) any of her department’s other budgets since 1 April 2015;**

 Reply

 The department does not have a contract with Kohwa Holdings but a memorandum of understanding (a) All 12 Cooperatives have received services from Kohwa Holdings at various levels and (b) Each Cooperative has received grant funding to the tune of (i) R 350 000 and (ii) the company received R35 000 per cooperative which is R35 000 X 12 = R 420 000-00 from (aa) the Cooperatives Incentive Scheme and/or (bb) No support from other budgets since 1 April 2015

**(2) what is the (a) detailed breakdown of the costs of implementing the agricultural plans for each of the co-operatives and (b) company’s fees for providing services to the co-operatives;**

 Reply,

For each of the 12 Cooperatives the total amount of R350 000 per cooperative was spent as follows:

|  |
| --- |
| **Wayhans Group which supplied Irrigation Scheme** |
| **Description and Deliverables**  | **Qty** | **Excl** | **Total Amount** |
| Main pump diesel pump/generator combo | 1 | 96 150 | 96 150 |
| PVC main line, elbow,t-fittings, PVC cement | 1 | 30 700 | 30 700 |
| Fertigation unit and 20 foot container with | 1 | 42 167.2 | 42 167.2 |
| Galvanised steel 50m3 resevoir tank  | 1 | 47 624 | 47 624 |
| Drip network | 1 | 44 341 | 44 341 |
| Valves links | 1 | 10 495 | 10 495 |
| Transport | 1 | 3760 | 3760 |
| Installation and engineering supervision | 1 | - | - |
|  | **Sub Total** | **275 237.7** | **275 237.7** |
|  |  |  |
|  |  |  |
| **Wayhans Group which supplied fencing material** |
| **Description and Deliverables** | **Qty** | **Excl** | **Total Amount** |
| 110m x 110 x 1.8m high bonnax fencing roll | 5 | 4 700 | 4 700 |
| 100mm gum poles & accessories included | 159 | 9 620 | 9 620 |
| Gumpoles stays 75/100/1.8m | 18 | 990 | 990 |
| Fence U-tack | 9 | 1 170 | 1 170 |
| Rolls of fence wire galvanised 2.5mm 130m | 9 | 2 430 | 2 430 |
| Bags cement & balast | 62 | 3 952 | 3 952 |
| Gate | 1 | 3 500 | 3 500 |
| Labour | 1 | 10 500 | 10 500 |
| Transport | 1 | 2 900 | 2 900 |
|  | **Sub Total**  | **39 762** | **39 762** |
|  |  |  |
|  |  |  |
| **Kohwa Holdings** |
| Sweet corn seed | 1 | 1210 | 1210 |
| Spinach seedling | 1 | 515 | 515 |
| Beetroot seedling | 1 | 1246.7 | 1246.7 |
| Cabbage seedling | 1 | 650 | 650 |
| Soil preparation | 3 | 1500 | 1500 |
| Fertilisers | 3 | 1950 | 1950 |
| Chemicals | 3 | 3759 | 3759 |
| Lime treatment | 3 | 9 171 | 9 171 |
| Project Management | 1 | 14 998 | 14 998 |
|  | **Sub Total** | **35 000** | **35 000** |
|  |  |  |
|  |  |  |
|  | **Grand Total** | **350 000** | **350 000** |

 **(3) whether the company has provided her department with a full breakdown of (a) monies spent and (b) services delivered to each of the co-operatives during the specified period; if not, in each case, why not; if so, in each case, what are the relevant details?NW2522E**

Reply

The department has undertaken a post disbursement inspection as per the standard procedure to follow up and verify if all approved items have been delivered to applicants and are in order and functional. During the follow up visits, it was established that most of the items approved and paid for by the department were not delivered to almost all the 12 cooperatives. The department is in the process of commissioning a full investigation into the 12 cooperatives to ascertain the reasons for the non-delivery of the items referred to above.