**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 4243**

**INTERNAL QUESTION PAPER [No 47-2022 SIXTH PARLIAMENT] DATE OF PUBLICATION: 11 NOVEMBER 2022**

**4243. Inkosi R N Cebekhulu (IFP) to ask the Minister of Agriculture, Land Reform and Rural Development:**

In light of the R3,2 billion Blended Finance Scheme with the Land Bank to assist farmers in which her department and the specified bank have each invested R325 million in each year, which will effectively result in the creation of a R650 million fund a year which will grow to R1,95 billion in three years, how does she and her department plan to ensure that (a) funds are not wasted through corruption and wasteful expenditure and (b) the fund benefits small and medium-scale farmers? **NW5310E**

**THE MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT:**

1. To ensure that funds are not wasted through corruption and wasteful expenditure the Department of Agriculture, Land Reform and Rural Development (DALRRD) has done the following:

* Defined the categories of producers (smallholder, medium commercial and large commercial) to be supported through Blended Finance Scheme;
* Developed the grant gliding scale per category of farmer to be supported which clearly outlines the grant cap per producer category that cannot be exceeded;
* Ensured that the operational manual clearly spell out processes to be followed before funds are released to qualifying beneficiaries;
* Ensured that there is a checklist that guides the Fund Administrator on what information should be produced before payments are made; and
* Furthermore, the credit committee’s responsibility is to ensure that only commercially viable applications are supported and the grant caps per category are not exceeded.

1. To ensure the fund benefits smallholder and medium scale commercial farmers the DALRRD has done the following:

* Signed an agreement with Land Bank to prioritise only smallholder and medium scale commercial farmers;
* Developed the Economic Benefit Criteria calculator that automatically reject large scale producer applications once the information of the farmer is populated into the calculator;
* The Blended Finance Scheme Steering Committee will receive performance reports from the bank and evaluate if the programme is being implemented as agreed, and the targeted beneficiaries are being supported; and
* The scheme will be subjected to audit by the bank annually to assess if the programme is being implemented as agreed and if the controls put in place are adequate.