



RELAND 201009

BRIEF ANALYSIS OF THE COMMISSION ON RESTITUTION OF LAND RIGHTS (CRLR) ANNUAL REPORT, 2008/09

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1. INTRODUCTION

The Commission on Restitution of Land Rights' (CRLR) main purpose is to take responsibility for settlement of land restitution claims in accordance with provisions of the Restitution of Land Rights Act 22 of 1994, and provide post-settlement support for beneficiaries. The deadline for finalising of restitution claims has been extended for three times. The Commission envisages that restitution claims will be finalised during 2011/12 financial year.¹ However, it seems the date has been extended further to 2014, when the remaining claims from kwaZulu-Natal will be completed.²

The purpose of this paper is to assess the performance of the Commission in 2008/09 financial year in terms of meeting its targets and using the financial resources allocated to it.

2. PERFORMANCE

The Commission's main objective is to settle all outstanding claims by 2011/12 and the table below represents the strategic objectives and targets as well as performance towards achieving the main objective as set out in the 2008/09 strategic plan.

Table 1: Outputs, Targets and Performance in 2008/09

Strategic Objectives	Output	Target 2008/09	Actual Performance
To fast tract redistribution of 30% of white-owned agricultural land by 2014	Claimed/alternative land restored to restitution claimants contributing to Land and Agrarian Reform Programme (LARP)	1 034 000 ha	394 745
Settlement of all outstanding claims by 2012	All lodged claims settled	2 585 changed to 389	653 (545 settled and 108 dismissed)
	Restitution memorials in each province commemorating claims settled in that province	Strategy in place	Not achieved but project is ongoing
	Settlement support process of land claims with development aspect facilitated to ensure sustainable development	Analysis and Implementation plan by June 2008	Support is provided in approximately 560 projects
	Rights of vulnerable groups protected in the resolution of	Strategy in place by July	The strategy has been completed

¹ DLA, 2008.

² DLA, 2009.



	land claims	2008	
	Effective Financial Management and risk control	Unqualified Audit	Qualified audit on the interests owed by conveyancers.

Source: CRLR, 2009.

3.1. Settlement of Claims

By March 2008, the Commission was left with a total of 4 296 outstanding claims out of the 79 696 claims lodged by the cut-off date of 31 December 1998. The target for the Commission was to settle 2 585 of the outstanding claims in the 2008/09 financial year and to settle all claims in 2011/12. Difficulties in settling rural claims and budgetary constraints resulted in adjustment of target from settling 2 585 claims to 389 claims in line with the Commission's extended tenure to 2012. During the period under review, as indicated in the table below, the Commission settled 653 claims inclusive of the 108 claims which were dismissed.³ This means that the Commission exceeded on its revised targets for the year under review. By March 2009, the CRLR has yet to settle 4430⁴ land claims by 2012.⁵ It is the ever increasing land prices and budgetary constraints that make it difficult for the Commission to deliver on its target.⁶

Table 2: Settled and Outstanding Claims for the period: 01 April- 31 March 2009

Province	Claims settled in 2008/09	Dismissed claims	Grand Total of settled and dismissed	Outstanding claims
Eastern Cape	33	0	33	522
Free State	15	54	69	28
Northern Cape	18	11	29	189
Gauteng	1	0	1	3
North West	20	0	20	195
KwaZulu Natal	72	12	84	1652
Mpumalanga	139	0	139	712
Limpopo	235	17	252	422
Western Cape	12	14	26	573
Total	545	108	653	4 296

Source: CRLR, 2009.

The Commission adopted a plan to settle outstanding claims and based on that, a submission was made to Cabinet regarding the issue of time and extra funding which are needed for the Commission to settle all the claims. However, the Commission's request of an additional funding of R2.2 billion for 2008/09 from National Treasury was rejected. According to the Commission it needed then a budget of R15.4 billion to settle all claims by 2011/2012 and the budget allocated was far less than what is was required. In the current baseline

³ DLA, 2009.

⁴ This figure is based on the revised figure of the number of outstanding land claims as per the annual report of the department

⁵ CRLR, 2009.

⁶ DLA, 2009.



there was a deficit of R10.8 billion.⁷ This implies that the current baseline was not geared to have restitution finalised.

3.2 Financial performance

Table 3: Allocation and Expenditure in 2008/09

Standard Item	Original Allocation R'00	Adjustment R'000	Adjusted Allocation R'000	Expenditure R'000	Variance R'000	Expenditure as % of final appropriation
Transfer Payment	2,891,635	-97,242	2,794,393	2,789,456	4,937	99.8%
Compensation of employees	106,846	87,479	194,325	188,051	6,274	96.8%
Goods & Services	96,902	47,018	143,920	132,098	11,822	91.8%
Payments of Capital Assets	1,922	15,585	17,507	15,477	2,030	88.4%
Total	3,097,305	52,840	3,150,145	3,125,082	25,063	99.2%

Source: CRLR, 2009.

The Commission was allocated R3.1 billion during the period under review and was able to spend 99.2 per cent of the amount. A total amount of R2.8 billion was spent on restitution awards, including the purchase of land and financial compensation for beneficiaries. Land acquisition accounted for 92% of the expenditure towards the settlement of land claims while financial compensation only accounted for 8%. This is because the claims settled for the year were rural, which involve mostly the acquisition of land. A total of R338 million was spent on recurrent costs, which includes the compensation of employees, and goods and services.⁸

3.3. Auditor General Report

The Auditor General reported a qualification due to poor system monitoring the collection of interest on funds payable as a deposit on land acquisition. This the interest from the 50% of the purchase price deposited into conveyancer's trust account. When registration of transfer takes the capital is payable to the seller and the interest is suppose to be paid to the Department of Land Affairs. However, some conveyancers have not paid interest since 2004.

4. HUMAN RESOURCES

The main challenge facing the Commission has been a high staff turnover rate due to contract nature of appointments and lack of job security. A proposal to convert the contract to permanent was approved. The conversion was finalised and implemented from 1 April 2008. In addition, the Commission also instituted measures to implement incentives to deserving staff members to retain talents and scarce skills. Further, the Commission's request for 328 posts and the upgrading of 49 was approved. All this has resulted in a 10% reduction in the vacancy rate in the Commission from 29.6 per cent in 2007/08 to 22% in 2008/09.

5. CONCLUSION

The Commission exceeded its revised target for settlement of claims in the year under review. However, it is a concern that the original target was reduced to be in line with the allocated budget for the year as it might

⁷ DLA, 2008.

⁸ CRLR, 2009.



create a wrong precedence that the Commission will keep revising its target as deadline gets extended. It is commendable that the Commission has been able to spend almost all its allocated budget for two consecutive years but what is more important is the value of the expenditure.

Issues of Concern

- One of the concerns about land restitution and other land reforms is the sustainability of the restitution projects. It is reported that 200 of the projects are struggling and the Commission has a plan to recapitalise these projects. The Commission should brief the Committee on the plan and progress made in the recapitalisation of projects. It should indicate if it has the capacity to that?
- Although the vacancy rate in the Commission has been reduced, it is still high considering the urgency for the Commission to finalise claims and the need to provide post-settlement for beneficiaries. It is of concern that there are two vacancies for regional commissioners creating extra load for full-time commissioners who are acting in these positions. The Commission should indicate why these positions are not filled and when it expects to fill them.
- The Commission has in the past adopted strategies for speeding settlement of outstanding claims. So far the plans have failed to ensure settlement of outstanding claims instead the deadline has been extended for three times already. Is there a commitment from the Commission to actually finalise these claims?
- The request for additional funding from National Treasury has been rejected in the past and it can be rejected again. Since the budget for restitution for the 2009/10 financial year has been exhausted, the Commission might not be able to meet its target for the year. How is the Commission going to address this challenge to ensure it meets its obligation to finalise all claims within the targeted time?
- It is reported in the annual report that several agreements were concluded with role players for provision of strategic support to beneficiaries. What has been the impact of those agreements so far?

Sources

Commission on Restitution of Land Rights (CRLR), 2009. Annual report for the year ended 31 March 2009.

CRLR, 2008. Strategic Plan Review 2008 – 2009

Department of Land Affairs (DLA), 2009. Annual Report, 2008/09.

DLA, 2008. Presentation to the Joint Budget Committee on the 2008 Medium Term Budget Policy Statement. 29 October.