



planning, monitoring  
& evaluation

Department:  
Planning, Monitoring and Evaluation  
REPUBLIC OF SOUTH AFRICA

**SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)**  
**INITIAL IMPACT ASSESSMENT TEMPLATE (PHASE 1)**  
**09 DECEMBER 2016**

National Policy on Comprehensive Producer  
Development Support

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## LIST OF ACRONYMS

<b>AGOA</b>	:	Africa Growth and Opportunity Act
<b>AgriSETA</b>	:	Agricultural Sector Education and Training Authority
<b>BBBEE</b>	:	Broad-Based Black Economic Empowerment
<b>BRICS</b>	:	Britain, Russia, India, China and South Africa
<b>CASP</b>	:	Comprehensive Agricultural Support Programme
<b>COE</b>	:	Cost of Employees
<b>DAFF</b>	:	Department of Agriculture, Forestry and Fisheries
<b>DPME</b>	:	Department of Planning, Monitoring and Evaluation
<b>DRDLR</b>	:	Department of Rural Development and Land Reform
<b>DTI</b>	:	Department of Trade and Industries
<b>DWS</b>	:	Department of Water and Sanitation
<b>EU-FTA</b>	:	European Union Free Trade Agreement
<b>FAO</b>	:	Food and Agriculture Organisation
<b>GMOs</b>	:	Genetically Modified Organism
<b>IGR</b>	:	Inter-governmental Relations
<b>NGOs</b>	:	Non-Governmental Organisations
<b>RDP</b>	:	Reconstruction and Development Programme
<b>RSA</b>	:	Republic of South Africa
<b>SEDA</b>	:	Small Enterprise Development Agency
<b>WTO</b>	:	World Trade Organisation

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**THE INITIAL IMPACT ASSESSMENT**  
**NATIONAL POLICY ON COMPREHENSIVE PRODUCER DEVELOPMENT**  
**SUPPORT**

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## **1. The Initial Impact Assessment**

The Initial Impact Assessment aims to ensure that the policy is on the right track by requiring evaluation of alternative approaches. It should help policy drafters avoid finalising an inappropriate solution because they moved too quickly to select a strategy without adequately analysing the roots of the problem and considering alternative measures. It should facilitate a brainstorm about issues involved in the problem and full range of alternatives to deal with them.

## **2. Background to the Policy on CPDS**

Since the dawn of democracy in South Africa, the Department of Agriculture, Forestry and Fisheries (DAFF) embarked on numerous initiatives to provide financial and other non-financial supports to smallholder producers. The intent was to mainstream and increase the number of smallholder producers in the mainstream agriculture by means of providing on-and-off farm infrastructure, improving extension support, market access, provide access to appropriate technologies, increase localised production, improve food security and improve the livelihoods of rural households. However, there are other various entities from public sector, private sector, and non-governmental organisations etc. that also provide various forms of support to the sub-sectors with limited coordination and alignment.

The lack of a national regulatory framework for guiding comprehensive producer support has created unnecessary confusion with regard to the roles and responsibilities of various institutions that service the various types of producers in South Africa. Various studies and policy document (such as DAFF (2008; 2012; 2015; FAO (2009), University of Pretoria Business Enterprises (2015), DRDLR<sup>1</sup> (no date) identified the need to improve coordination and collaboration among government departments and other stakeholders by creating a functional coordination mechanisms. FAO (2009) reiterate based on global

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<sup>1</sup> The Rural Economy Transformation Model: One District, One Agri-Park/Every Municipality

experience that support services need to be well coordinated and integrated to achieve maximum benefit. It further states that the 'silo approach' which is characterised by different, disjointed (and sometimes conflicting) initiatives is inefficient and sometimes counter-productive. These sentiments were also echoed by the Integrated Growth and Development Plan (DAFF, 2012) that "non-alignment between the three spheres of government and between government and state-owned entities as well as non-alignment of programmes has had a negative impact on the sector. It resulted in poor implementation of programmes, due to the absence of integration, coordination and monitoring." Poor coordination of these services has resulted in government not leveraging adequately from the private sector and often led to the limited resources of government not being utilised strategically to ensure maximum benefit.

DAFF embarked on a process to develop the Norms and Standards for Comprehensive Producer Development Support during the 2014/15 financial year. It is envisaged that these norms and standards will contribute towards enhancing the agricultural sector's crucial contribution to rural development and poverty eradication. In addition to this, a Policy on Comprehensive Producer Development Support is required to regulate and provide policy guidance with regard to support services provided to various categories of producers in the agriculture, forestry and fisheries sectors.

### **3. The Problem / Theory of Change**

#### **3.1 What is the **social or economic problem** that you are trying to solve?**

The general problem to be addressed is skewed participation and uncoordinated, ineffective and inefficient support and delivery systems for producers in the agriculture, forestry and fisheries sector.

### 3.2 What are the main causes of the problem? That is why the problem arise and why does it persist?

Identified Problem	Main Causes of the Problem	Why the problem arises and why does it persist?
<p>Inequality to access and ownership of resources coupled with skewed participation along the value chains of agriculture, forestry and fisheries sector.</p> <p>Unnecessary confusion created to smallholder producers in providing them with support services and unequal opportunities to access and own resources</p>	<ul style="list-style-type: none"> <li>• Uncoordinated producer support mechanisms,</li> <li>• Lack of collateral/capital by many smallholder producers making it difficult for them to access finance.</li> </ul>	<ul style="list-style-type: none"> <li>• The banking sector is not transformed and does not recognise communal land ownership system as collateral.</li> </ul>
	<ul style="list-style-type: none"> <li>• Lack of capacity to implement programmes (technical knowhow, monitoring, research etc.) and provide strategic leadership.</li> </ul>	<ul style="list-style-type: none"> <li>• Education and Training is not aligned to the needs of the sector.</li> <li>• High cost of attaining scarce skills: Cost of Employees (COE).</li> </ul>
	<ul style="list-style-type: none"> <li>• Lack of national guidelines for producer support resulting in a lack of coordination among sector stakeholders proving support to smallholder producers.</li> </ul>	<ul style="list-style-type: none"> <li>• Existing programmes and their standard operating procedures seemed sufficient in providing adequate support thus creating perpetuation of the status quo.</li> </ul>
	<ul style="list-style-type: none"> <li>• Deregulation of markets which exposed smallholder producers to international trade regulations (market forces).</li> </ul>	<ul style="list-style-type: none"> <li>• Existing policy framework and existing World Trade Organisation (WTO) Import and Export Agreements between South Africa; the Regional and International Community.</li> </ul>
	<ul style="list-style-type: none"> <li>• Lack of business and entrepreneurial skills coupled with low confidence (soft skills) by producers.</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate training by producers and curriculum for extension and advisory services at institutions of higher learning which is not oriented to value chain approach.</li> </ul>
	<ul style="list-style-type: none"> <li>• Inequitable access to resources (land, water) and high energy costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Slow pace of land reform by the Department of Rural Development and Land Reform (DRDLR) and the fact that land allocation was not linked to water authorisation by the Department of Water and Sanitation (DWS).</li> <li>• Slow adoption of renewable energy sources by Producers.</li> </ul>

- 3.3 Whose behaviours give rise to the problem, and why does that behaviour arise?  
Remember that several groups including some in government may contribute to the identified problem. Their behaviour may arise amongst others because the current rules are inappropriate; because they gain economically from the behaviour; or because they are convinced that they are doing the right thing. Identifying behaviours that cause the problem should point to the behaviours that must be changed in order to achieve the desired solution.

Identified Problem	Behaviour giving rise to the identified problem	Groups whose behaviour give rise to the identified problem?	Why does the behaviour arise?
<p>Inequality to access and ownership of resources coupled with skewed participation along the value chains of agriculture, forestry and fisheries sector.</p> <p>Unnecessary confusion created to smallholder producers in providing them with support services and unequal opportunities to access and own resources</p>	<p>Limited participation of smallholder producers in the formal value chain:</p> <ul style="list-style-type: none"> <li>• Dependency on government hand-outs, and leading to unsustainability of supported agribusinesses.</li> </ul>	<p>Subsistence and Smallholder Producers</p>	<ul style="list-style-type: none"> <li>• Red tape associated with processing of funding applications for producers within public service resulting in long turnaround time.</li> <li>• Support not comprehensive enough to ensure graduation of smallholder producers into commercialisation.</li> </ul>
	<ul style="list-style-type: none"> <li>• Producers tend to mainly produce for home consumption than for markets and deriving an income from farming</li> </ul>	<p>Subsistence and Smallholder Producers</p>	<ul style="list-style-type: none"> <li>• Due to reliance on traditional production patterns which are associated with low productivity.</li> <li>• Limited scales of operation thus making transaction costs higher.</li> <li>• Poor adoption of technology to improve farm productivity</li> <li>• Limited research and technology transfer mechanisms.</li> <li>• Poor record keeping by producers</li> </ul>
	<p>Lack of coordination in the implementation of producer support programmes:</p> <ul style="list-style-type: none"> <li>• Silo approach in the implementation of projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial Departments of Agriculture, National Departments, Local Municipalities and stakeholders in the</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of integrated planning, monitoring and evaluation systems.</li> </ul>



Identified Problem	Behaviour giving rise to the identified problem	Groups whose behaviour give rise to the identified problem?	Why does the behaviour arise?
		agriculture, forestry and fisheries sector.	
	<p>Non-alignment of research priorities to that of producers, the end uses of research outcomes.</p> <ul style="list-style-type: none"> <li>• Research projects carried out by these institutions sometimes are not transferred to intended beneficiaries for implementation.</li> </ul>	<p>Academic and Research Institutions as well as extension and advisory</p> <ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Weak linkages between research, extension and producers</li> </ul>
	<p>Lack of transformation along the agricultural, forestry and fisheries value chain to enable participation of new entrants:</p> <ul style="list-style-type: none"> <li>• Very rigid in setting the quality and quantity requirements which in most instances do not suite the potential of smallholder producers.</li> </ul>	<ul style="list-style-type: none"> <li>• Retailers (secondary &amp; tertiary value chain stakeholders)</li> </ul>	<ul style="list-style-type: none"> <li>• The current regulatory framework allows for the development of private standards by retailers which are over and above the general standards approved by the Department of Health (DOH) and Department of Agriculture, Forestry and Fisheries (DAFF)</li> </ul>
	<p>Limited capacity to implement, monitor and report reliably on producers supported:</p> <ul style="list-style-type: none"> <li>• Silo approach in the implementation of projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Other National Departments (Rural Development, Women, Water Affairs, Social Development)</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of integrated planning, monitoring and evaluation systems.</li> </ul>

Identified Problem	Behaviour giving rise to the identified problem	Groups whose behaviour give rise to the identified problem?	Why does the behaviour arise?
	<p>The banking sector is not transformed and does not recognise communal land ownership system as collateral:</p> <ul style="list-style-type: none"> <li>• Low confidence on smallholder producers.</li> <li>• Negative perception on the image and capability of smallholder producers.</li> <li>• Rigid requirements set based on collateral.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of transformation by the banking sector perpetuates biasness towards previously disadvantaged individuals.</li> </ul>
	<p>Lack of coordination in the implementation of producer support programmes:</p> <ul style="list-style-type: none"> <li>• Silo approach in the implementation of projects (limited coordination of activities internally and with other sector stakeholders).</li> </ul>	<ul style="list-style-type: none"> <li>• The Department of Agriculture, Forestry and Fisheries (DAFF)</li> </ul>	<ul style="list-style-type: none"> <li>• Due to the lack of integrated planning, monitoring and evaluation systems</li> </ul>
	<ul style="list-style-type: none"> <li>• Reactive behaviour with long turn-around time</li> </ul>	<ul style="list-style-type: none"> <li>• The Department of Agriculture, Forestry and Fisheries (DAFF)</li> </ul>	<ul style="list-style-type: none"> <li>• Red tape associated with processing of funding applications for producers within public service resulting in long turnaround time</li> </ul>

3.4 Identify the major social and economic groups affected by the problem, and how are they affected. Who benefits and who om the current situation?

Identified Problem	Groups (Social/ Economic)	How are they affected by the identified problem?	Are they benefitting or losing from the current situation?
<p>Inequality to access and ownership of resources coupled with skewed participation along the value chains of agriculture, forestry and fisheries sector.</p> <p>Unnecessary confusion created to smallholder producers in providing them with support services and unequal opportunities to access and own resources</p>	Household producers	Due to inadequate & unsustainable support they develop dependency on government hand-outs thus making their agribusiness unsustainable in the long run	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Smallholder Producers	<ul style="list-style-type: none"> <li>• Inadequate support (financial and non-financial) and lack of access to resources (e.g. land, water, inputs etc.) which hinders active participation in the value chain.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Commercial Producers	<ul style="list-style-type: none"> <li>• Inadequate support particularly to deal with “dumping” of products from the international markets as well as threats for sanctions.</li> <li>• Loose potential markets and threat to livelihood and national food security as a result of climate change (e.g. frequent droughts), lack of coordination mechanism for sanitary and phytosanitary (SPS) as well as export control measures.</li> <li>• Security risk on farms as a result of increased incidents of crime in the country.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>

Identified Problem	Groups (Social/ Economic)	How are they affected by the identified problem?	Are they benefitting or losing from the current situation?
	Academic and Research Institutes and producers in general	Non-alignment of research priorities to meet the needs of producers: <ul style="list-style-type: none"> <li>• Research projects carried out by these institutions sometimes are not transferred to intended beneficiaries for implementation.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Commodity Associations	Declining number of commercial farms. <ul style="list-style-type: none"> <li>• Reduced membership poses a threat to business profitability and sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Provincial Departments of Agriculture and other agricultural, forestry and fisheries implementers	Lack of national guidelines for producer support : <ul style="list-style-type: none"> <li>• This creates confusion in terms of the minimum support to be provided to producers. This also leads to double dipping and resource wastage.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Civil Society, NGOs and other related departments	Lack of national guidelines for producer support: <ul style="list-style-type: none"> <li>• This affects their planning and implementation of agricultural related projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>

Identified Problem	Groups (Social/ Economic)	How are they affected by the identified problem?	Are they benefitting or losing from the current situation?
	Academic and Research Institutions	<p>Low drive within education and training institutions towards agricultural science profession:</p> <ul style="list-style-type: none"> <li>• There is limited throughput of youth studying in agriculture particularly at primary and high school level.</li> <li>• Training curriculum for agricultural, forestry and fisheries sciences profession is also limited.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Retailers (secondary & tertiary value chain stakeholders)	<p>Due to lack of transformation along the formal value chain to enable participation of new entrants:</p> <ul style="list-style-type: none"> <li>• There is inconsistency in supply and quality of produce particularly from smallholder producers</li> <li>• There is limited scope to contribute to Social Cooperate Investment especially with regard to procuring from smallholder producers.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Other National Departments (Rural Development, Women, Water Affairs, Social Development)	<p>Lack of national guidelines for producer support :</p> <ul style="list-style-type: none"> <li>• Creates confusion in terms of the minimum support to be provided to producers.</li> <li>• This also leads to double dipping and resource wastage.</li> <li>• The silo approach to programme</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>

Identified Problem	Groups (Social/ Economic)	How are they affected by the identified problem?	Are they benefitting or losing from the current situation?
		implementation makes it difficult to plan in an integrated way at strategic and operational level.	
	Financial Institutions	Clients/Lenders are exposed to high risks such as climate change and changing economic environment and as a result there is : <ul style="list-style-type: none"> <li>• High number of defaulters, and</li> <li>• High incident claims</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>
	Consumer and Consumer Associations	Lack of compliance to general food safety standards and guidelines and volatile economic environment lead to : <ul style="list-style-type: none"> <li>• Health risks, and</li> <li>• High food prices.</li> </ul>	<ul style="list-style-type: none"> <li>• Losing</li> </ul>

3.5 Which of the five top priorities of the State- that is , Social Cohesion, Security, Economic Growth, Economic Inclusion (Job Creation and Equality) and a Sustainable Environment is/ are negatively affected by the identified problem?

<b>National Priority</b>	<b>How is the priority negatively affected by the identified problem?</b>
1. Social Cohesion	<ul style="list-style-type: none"> <li>• Most social unrests are as a result of inequalities within the communities, so a lack of transformation in the sector will continue to aggravate the situation. Double dipping may result in dissatisfaction and perpetuate inequality among categories of producers.</li> </ul>
2. Security (Safety, Financial, Food, Energy and etc.)	<ul style="list-style-type: none"> <li>• The majority of rural population invariably depends on agriculture, forestry and fisheries for their livelihoods. The impact of Climate Change has far reaching consequences for the vulnerable groups (i.e. women, youth and people with disabilities) as it can result to crop failure and consequently high food prices. These groups are more susceptible to Food and Nutrition Insecurity.</li> </ul>
3. Economic Growth	<ul style="list-style-type: none"> <li>• The sector is expected to grow at an average annual rate of 6% in terms of the Malabo Declaration. However, limited success in the smallholder farming community as well as limited participation of smallholder producers in the formal value chains will continue to cause stagnant growth in the sector<sup>2</sup>.</li> </ul>
4. Economic Inclusion (Job Creation and Equality)	<ul style="list-style-type: none"> <li>• The agriculture, forestry and fisheries sector is expected to create about 1 000 000 jobs by 2030. About 197 000 jobs have been created in the sector from 2012 to the end of quarter 4 of 2015/16 (StatsSA, 2016). However, the jobless growth experienced during the last two decades indicates that unless meaningful measures are put in place, the sector will not contribute meaningfully to the set target and generally to economic inclusion.</li> </ul>
5. Environmental Sustainability	<ul style="list-style-type: none"> <li>• As a result of land ownership types especially in the former homelands and the impact of climate change, natural resources (water, land, forestry, fisheries) are under extreme pressure due to lack of adherence to recommended prescripts in relation to stocking rates, illegal fishing, deforestation and unsustainable land use and land management activities.</li> </ul>

<sup>2</sup> The agriculture, forestry and fishing industry has contracted for seven consecutive quarters. The country has experienced serious drought conditions. The industry's decline of 0,3% in the third quarter of 2016 was mainly the result of decreases in the production of horticulture products (StatsSA, 2016).

## 4. Options

4.1 List at least three options for addressing the identified problem, including (a) your preferred proposal, and (b) an option that does not involve new or changed regulation (baseline or existing option)

### **4.1.1 (Preferred): Strengthen institutional mechanisms for better coordination of producer support in the sector.**

The South African agricultural, forestry and fisheries sector receives support from various role players notably the government of South Africa through the Department of Agriculture, Forestry and Fisheries and its provincial counterparts, the Department of Rural Development and Land Reform, the Department of Trade and Industry, the private sector, commodity organisations, non-governmental organisations, bilateral and multilateral development partners, international donors etc. As a result, the sector has many programmes targeting the same beneficiaries and each having its own implementation institutional structures. The impact of these programmes is limited due to duplication of activities and non-alignment of efforts and resources.

### **4.1.2 Reduce inequality and improve the participation of smallholder producers along the agriculture, forestry and fisheries value chains.**

The Reconstruction and Development Programme (RDP) noted that “no democracy can survive and flourish if the mass of our people remain in poverty, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government” (RSA, 1994). It is therefore the objective of this policy to ensure equitable participation of the previously disadvantaged individuals along the agricultural, forestry and fisheries value chains.

### **4.1.3 Design support measures to increase agriculture, forestry and fisheries productivity.**

Cognizance is made that the conceptualization of the Comprehensive Agricultural Support Programme (CASP) is comprehensive enough in its components,



however there is a need to ensure better coordination of activities and support structures.

4.2 What social groups would gain and which would lose most from each of the three or above options? Consider specifically the implications for the households earning under R7000 a month; micro and small business; black people, youth and women; and rural development.

<b>Option</b>	<b>Main Beneficiaries</b>	<b>Main Cost bearers</b>
1. Strengthen institutional mechanisms for better coordination of producer support in the sector.	<ul style="list-style-type: none"> <li>• Producers</li> <li>• Sector partners</li> <li>• All spheres of government</li> <li>• General public</li> <li>• NGOs</li> </ul>	Government, Private Sector, Financial Institutions, NGOs, International Development Partners, Producers
2. Reduce inequality and improve the participation of smallholder producers along the agriculture, forestry and fisheries value chains.	<ul style="list-style-type: none"> <li>• Producers Organisations</li> <li>• Sector partners</li> <li>• PDAs</li> <li>• Municipalities through Local Economic Development (LEDs)</li> <li>• Commodity Organisations</li> <li>• Other National Departments</li> </ul>	Government, Private Sector, Financial Institutions, NGOs, International Development Partners, Producers
3. Design support measures to increase agriculture, forestry and fisheries productivity.	<ul style="list-style-type: none"> <li>• Producers</li> <li>• Commodity Organisations</li> <li>• General public</li> <li>• All spheres of government</li> </ul>	Government, Private Sector, Financial Institutions, NGOs, International Development Partners, Producers

4.3 For each option, describe the possible implementation costs, compliance costs and the desired outcomes, listing who would bear the costs or, in case of the outcomes, enjoy the benefits.

<b>Option</b>	<b>Implementation costs</b>	<b>Compliance costs</b>	<b>Desired Outcomes (Benefits)</b>
<p>1. Strengthen institutional mechanisms for better coordination of producer support in the sector.</p>	<ul style="list-style-type: none"> <li>• This will entail the cost of setting up or realigning structures at national, provincial and district level.</li> </ul>	<ul style="list-style-type: none"> <li>• This will entail the cost relating to the integrated development, awareness raising and monitoring of implementation protocols entered into and between the various departments and sector stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved coordination (joint / integrated planning, implementation , monitoring and evaluation) of producer support.</li> <li>• Reduced duplication of activities and resources.</li> <li>• Increased Public-Private Partnerships</li> </ul>
<p>2. Reduce inequality and improve the participation of smallholder producers along the agriculture, forestry and fisheries value chains.</p>	<ul style="list-style-type: none"> <li>• The cost will entail the implementation of programmes geared towards mainstreaming of vulnerable groups (women, youth, and people with disabilities).</li> <li>• This will also entail costs relating to the establishment of baseline survey through farmer registration and M&amp;E systems to track progress.</li> <li>• Furthermore, it will also entail programmes to ensure access to productive resources in the sector (such</li> </ul>	<ul style="list-style-type: none"> <li>• Development and implementation of awareness raising and information programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Improved participation of smallholder producers along the value chain.</li> </ul>

	as land, water)		
3. Design support measures to increase agriculture, forestry and fisheries productivity.	<ul style="list-style-type: none"> <li>The cost of designing support programmes and leveraging additional support from sector stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>This will entail the cost relating the integrated development, awareness raising and monitoring of implementation protocols entered into and between the various departments and sector stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Improved productivity and net farm incomes</li> </ul>

4.4 Based on the above table on costs and benefits, describe how different options would contribute to or detract from the national priorities. Remember this is a think-tool, so explore the issues freely.

Priority	Option 1	Option 2	Option 3
1. Social Cohesion	<ul style="list-style-type: none"> <li>This option will ensure that there is better coordination of producer support services thus avoiding duplication and silo approach in the implementation of agricultural, forestry and fisheries programmes. This will thus contribute to improved service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>South Africa is one of the most unequal societies and therefore interventions to reduce inequality will strengthen sustainability of livelihoods of beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>With support services that are ailed ,the level of poverty among beneficiaries will be reduced as it will have/achieve intended impacts</li> </ul>
2. Security (Safety, Financial, Food, Energy and etc.)	<ul style="list-style-type: none"> <li>The option will contribute to improved access, availability, utilisation, and stability of food and nutrition security.</li> </ul>	<ul style="list-style-type: none"> <li>The option will contribute to improved access, availability, utilisation, and stability of food and nutrition security.</li> </ul>	<ul style="list-style-type: none"> <li>The option will contribute to improved access, availability, utilisation, and stability of food and nutrition security.</li> </ul>
3. Economic	<ul style="list-style-type: none"> <li>Improved coordination could</li> </ul>	<ul style="list-style-type: none"> <li>Reduce the number of people depending</li> </ul>	<ul style="list-style-type: none"> <li>This option has the potential to</li> </ul>

Priority	Option 1	Option 2	Option 3
Growth	reduce wastage of financial resources and improved service delivery.	on the social security system and the state will have additional funds to invest in other priority interventions such as Education, Health etc..	increase the productivity of the sector leading to agricultural economic growth. The sector will thus be able to create jobs and absorb employees in line with National Development Plan (NDP) imperatives..
4. Economic Inclusion (Job Creation and Equality)	<ul style="list-style-type: none"> <li>This option will ensure that there is sustainability and economic transformation driven by the prosperity of the agricultural, forestry and fisheries sector. This will in turn create sustainable decent jobs and job opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>This option will lead to the development and graduation of various categories of producers to the next higher level thus creating more role players in the agricultural economy. This will create opportunities for niche markets and employment creation along the value chain</li> </ul>	<ul style="list-style-type: none"> <li>Support measures will prioritise commodities with high potential for growth and employment creation in line with the NDP and Agricultural Policy Action Plan (APAP).</li> </ul>
5. Environmental Sustainability	<ul style="list-style-type: none"> <li>Implementation protocols with relevant departments (such as Department of Water and Sanitation, Department of Environmental Affairs) will include principles for environmental sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Inequality in the sector manifests itself also in terms of access to productive resources such as water, land etc. This option intends to ensure smallholder producers are afforded access to productive resources (land, water).</li> </ul>	<ul style="list-style-type: none"> <li>Some of the financial instruments will be designed to encourage the adoption of sustainable practices e.g. those producers practicing conservation / biological / climate-smart practices will have a portion of their loan component converted to grants.</li> </ul>

4.5 Describe the potential risks that could threaten implementation of each option and indicate what can be done to mitigate the identified risks.

Option	Potential Risks	Mitigation Measures	Comments
1. Strengthen institutional mechanisms for better coordination of producer support in the sector.	<ul style="list-style-type: none"> <li>• Coordination risk (Limited cooperation from sector stakeholders including relevant spheres of government)</li> </ul>	<ul style="list-style-type: none"> <li>• Put in place Implementation Protocols and strengthening M&amp;E of implementing producer support across the public sector</li> <li>• Establish an Inter-Departmental Committee</li> </ul>	<ul style="list-style-type: none"> <li>• There is a need to adopt the "Outcomes Approach" and transversal reporting on progress</li> </ul>
2. Reduce inequality and improve the participation of smallholder producers along the agriculture, forestry and fisheries value chains.	<ul style="list-style-type: none"> <li>• Limited resources (financial, human) to implement policy.</li> <li>• Lack of interest from the targeted groups</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage additional funding and support from the private sector</li> <li>• Create awareness and get buy-in on agriculture, forestry and fisheries programmes and their benefit to the farming community.</li> </ul>	<ul style="list-style-type: none"> <li>• Support measures will prioritise commodities with high potential for growth and employment creation.</li> <li>• Support programmes should target the vulnerable groups.</li> </ul>
3. Design support measures to increase agriculture, forestry and fisheries productivity.	<ul style="list-style-type: none"> <li>• Misalignment and misinterpretation by sector stakeholders (including producers) of comprehensive producer support</li> </ul>	<ul style="list-style-type: none"> <li>• Develop standard descriptions of producers (Both quantitative and qualitative)</li> <li>• Consultations – involving private sector &amp; other sector stakeholders in re-defining</li> </ul>	<ul style="list-style-type: none"> <li>• The policy will follow a participatory development process.</li> </ul>

Option	Potential Risks	Mitigation Measures	Comments
		producer categories	

At this point, if you think the analysis points to a more useful or stimulating set of options, revise the SEIAS. You may find that you would like to combine some of the options, or that the process of discussion around the options has generated ideas that are better than your original ideas. Ideally, the three options considered should all be good ideas-that provides the best test for the final strategy adopted.

## **5. Summary**

### **5.1 Based on your analysis, as reflected in the discussion of the three options above, summarise which option seems more desirable and explain?**

The option that seems more desirable is "Option A" – Strengthen Inter-governmental Coordination of Producer Support". Our analysis has shown that there are several organisations that provide financial and non-financial support to producers in the agricultural, forestry and fisheries sector however there is a lack of coordination which affect the quality and subsequently the impact of support provided.

### **5.2 What specific measures can you propose to minimise the implementation and the compliance costs of your preferred option, to maximise the benefits?**

Various institutional mechanisms are proposed at national, provincial and local level for the implementation of agricultural, forestry, and fisheries programmes. With this approach, all agricultural, forestry and fisheries interventions will be provided and reported seamlessly and provide implementing departments/agents ample time to devote to monitoring and evaluation.

### **5.3 What are the main risks associated with your preferred option, and how can they best be managed?**

One of the main risks is the possible coordination risk where one party or stakeholder does not partake in the process as anticipated from inception. The other risk associated with this is the perception that centralization (single agency/one stop shop) has the potential to usurp planning and implementation functions away from implementing agents/unit across the different spheres of government which may lead to resistance. Implementation Protocols and M&E systems will be established to support the implementing departments/agents across the public sector to mitigate against the risk of coordination.

#### **5.4 What additional research should you do to improve your understanding of the costs and benefits of the option adopted?**

Research on international best practices regarding the use of agencies as well as the associated costs and benefits will assist in estimating the possible costs and benefits associated with the option to be adopted.

**For the purpose of building SEIAS body of knowledge please complete the following:**

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