

COSTS OF A LAND REFORM PROGRAMME

Sources: World Bank Rural restructuring Programme (WBRRP)
 Dept Land and Regional Affairs Restitution Estimates (L+RE)
 Review of the SA Agricultural Budget (LAPC for Merg)
 Land and Regional Affairs Budget 1993\94 (L+RB)

A note of caution! These figures are estimates and should be treated as such.

The figures below are based on an attempt to transfer 30% of commercial agricultural land within five years. In Year 1 the pace of land transfer will be relatively slow and will increase through the rest of the period.

Land Capital Costs ¹	R3 119 000 000
Livestock and Machinery (WBRRP)	1 027 000 000
District and National Land Offices ²	109 000 000
Survey and Deeds Registration ³	1 010 000 000
Information and Dissemination ⁴	311 000 000
Staff training and re-training	13 000 000
Central Ministry ⁵	125 000 000
SUB-TOTAL	5 714 000 000

RESTITUTION PROCESS

¹ This figure is based on the WBRRP, increased by 10% to account for criticisms that the WBRRP underestimates land prices. It does not provide for any cost recovery. It must also be recognised that it is very hard to estimate the impact of restructuring on land prices over the next five years. This might have a significant effect on the figures in this budget.

² Based on the WBRRP, but presuming that the district land offices are the basic unit of land administration and the key mechanism through which the programme is implemented.

³ This is based on the L+R budget for 1993 doubled on the assumption that this is an area of administration that will increase enormously under a land reform programme.

⁴ Based on the WBRRP, but assuming in addition to a fast track information process, an on-going process of providing information about the programme to rural people and support to them in accessing the programme.

⁵ Based on the L+R 1993 budget unadjusted over five years. The costs of provincial ministries have not been built into this budget

will be established, to be the responsibility of a specialist department or agency. Emphasis will be placed on collecting and analysing information from rural areas where the existing database is very weak. This will provide the capacity to analyze the food security status of all populations groups on a permanent and on-going basis, and will also provide early warning indicators to prepare for food crises caused, for example, by drought.

- Research and extension expenditures will be redirected towards improving technologies for labour-intensive production and on farm storage.
- Measures to improve rights to land and access to credit and other resources will be implemented to improve smallholder productivity and food security.
- Legislation will be enacted to ensure that consumers are protected from health and hygiene hazards.