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**CONTENTS • INHOUD**

No.

Page  
No.      Gazette  
            No.

**GOVERNMENT NOTICE**

**Water Affairs and Forestry, Department of**

*Government Notice*

R.1036 National Water Act (36/1998): Regulations on financial assistance to resource poor farmers ..... 3 30427

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## GOVERNMENT NOTICE

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### DEPARTMENT OF WATER AFFAIRS AND FORESTRY

No. R. 1036

31 October 2007

#### REGULATIONS ON FINANCIAL ASSISTANCE TO RESOURCE POOR FARMERS

The Minister of water Affairs and Forestry, Mrs Lindiwe B. Hendricks, has under section 62 read with section 61 of the National Water Act, 1998 (Act No. 36 of 1998) made the regulations in the Schedule.



**MRS L B HENDRICKS, MP**  
**MINISTER OF WATER AFFAIRS AND FORESTRY**

## SCHEDULE

### Definitions

1. In these regulations any word or expression to which a meaning has been assigned in the Act has the meaning so assigned and unless the context indicates otherwise -

"applicant" means a person who applies for financial assistance;

"approved legal entity" means a registered legal entity that has an approved constitution and conducts sustainable water resource management practices;

"DWAF" means the Department of Water Affairs and Forestry;

"farming unit" means any demarcated agricultural land that is used for agricultural production;

"provincial committee" means the Coordinating Committee on Agricultural Water;

"resource poor farmer" means a farmer who is eligible for financial assistance in terms of regulation 3(1);

"the Act" means the National Water Act, 1998 (Act No. 36 of 1998).

### Purpose of regulations

2. The purpose of these regulations is to provide for the granting of financial assistance to resource poor farmers in support of agricultural water use development.

### Eligibility for financial assistance

3. (1) Subject to section 61(3) and (4) of the Act, a farmer is, for the purpose of agricultural water use development, eligible for financial assistance contemplated in section 61(1) of the Act if the farmer -
- (a) is a South African citizen;
  - (b) is a member of any historically disadvantaged population group; and
  - (c) has –
    - (i) agricultural land or access to agricultural land;
    - (ii) a water use authorization, except where financial assistance for acquisition of water entitlement is required; and
    - (iii) agricultural water use development needs and is unable to raise finance for that purpose.
- (2) (a) Except in the case of financial assistance for the operation and maintenance of water works, water resource management and depreciation charges, a resource poor farmer may be given financial assistance only once in respect of each specific use or purpose, or farming unit, but such farmer may in

respect of each additional farming unit apply, subject to paragraph (b) below, for financial assistance.

(b) Each additional application for financial assistance must be accompanied by

- (i) a letter confirming that the application is in respect of a different farming unit; and
- (ii) full particulars of any previous financial assistance given to the applicant.

(3) Nothing in this regulation is to be construed as implying that financial assistance is necessarily to be given to a resource poor farmer who in terms of sub-regulation (1) is eligible for financial assistance, but the granting of financial assistance is instead dependent on the approval of an application for financial assistance and the availability of funds.

### **Procedure for applying for financial assistance**

4. (1) Only a resource poor farmer may apply for financial assistance contemplated in section 61(1) of the Act.
- (2) An application under sub-regulation (1) must –
- (a) be made on DWAF application form, obtainable from any DWAF office, and be submitted to the nearest DWAF regional office mentioned in the Annexure;
  - (b) contain detailed project proposal/business plan;
  - (c) be accompanied by the following supporting documents;
    - (i) a feasibility and viability report of the project;
    - (ii) proof of registration of any approved legal entity involved in the application for financial assistance;
    - (iii) a copy of approved constitution of the legal entity referred to in paragraph (ii), if any;
    - (iv) certified copies of the identity documents of all beneficiaries;
    - (v) a certificate or other proof of water use authorization for the purpose agricultural water use development;
    - (vi) proof of the applicant's financial position in the form of bank or audited financial statements or such other documents as the Minister may determine;
    - (vii) three quotations for the proposed agricultural water use development or related activities in respect of which financial assistance is required;
    - (viii) proof of a farmer's land tenure arrangement in the form of a title deed, lease agreement or otherwise;
    - (ix) validated invoices for services already rendered ,if applicable;
    - (x) in the case of a joint venture or partnership, a detailed signed agreement in respect thereof; and
    - (xi) recommendations, in writing, from the provincial committee or other relevant stakeholders.

- (3) On receipt of an application referred to in sub regulation (2), the relevant DWAF regional office must-
  - (a) in writing, acknowledge receipts thereof; and
  - (b) submit the application, together with all supporting documents, to the Minister for consideration.
- (4) After the Minister has reached a decision on an application for financial assistance, the Minister must-
  - (a) cause notification of the decision to be given to the applicant; and
  - (b) in the event of the application being refused, give written reasons for the decision.
- (5) Where an application is refused because of non-compliance with the requirements of these regulations, the application may be corrected and resubmitted for reconsideration.

### **Terms and conditions applicable to financial assistance granted**

5. Financial assistance granted under section 61 of the Act for the purpose agricultural water used development is subject to-
  - (a) the terms and conditions that –
    - (i) it may be granted and utilized only for activities that ensure that water is protected, used, developed, conserved, managed, and controlled in a sustainable and equitable manner;
    - (ii) it must be used-
      - (aa) strictly in accordance with the project proposal or business plan that was submitted with the application for financial assistance; and
      - (bb) to directly cover the resource poor farmer's proportional share of the cost of the agricultural water use development activities in respect of which the financial assistance was granted;
    - (iii) any disbursement of funds in respect of the financial assistance is subject to –
      - (aa) the availability of funds in DWAF's budget for this purpose;
      - (bb) the submission of certified claims in respect of actual expenditure; and
      - (cc) compliance of the completed activities with the specifications approved by DWAF;
    - (iv) repayment conditions may be imposed by the Minister to-
      - (aa) enforce an agreement entered into with DWAF regarding the granting of the financial assistance; and
      - (bb) prevent any deviation from or non-compliance with the conditions subject to which the financial assistance was granted; and
    - (v) the financial assistance is to be withdrawn by DWAF in the event of any deviation from the project proposal or business plan that was submitted with the application for financial assistance, or non-compliance with any term or condition subject to which the financial assistance was granted;

and

(b) such other conditions as the Minister may consider necessary to impose.

**Short title**

6. These regulations are called the Regulations on Financial Assistance to Resource Poor Farmers, 2007.

**ANNEXURE****Contact details of DWAF regional offices**

<b>PROVINCE</b>	<b>STREET ADDRESS</b>	<b>POSTAL ADDRESS</b>	<b>TELEPHONE</b>	<b>FAX</b>
Eastern Cape	2 Hargreave Avenue KING WILLIAM'S TOWN	Private Bag X 7485 KING WILLIAM'S TOWN 5600	(043) 604 5400	(043) 604 5587
Free State	Sanlam Plaza, 2 <sup>nd</sup> floor C/o Maitland & Eastburger Street BLOEMFONTEIN	P O Box 528 BLOEMFONTEIN 9300	(051) 405 9000	(051) 430 8146
Gauteng	285 Schoeman Street PRETORIA	Private Bag X995 PRETORIA 0001	(012) 392 1300	(012) 392 1304
KwaZulu Natal	Southren Life Building , 9 <sup>th</sup> Floor 88 Field Street DURBAN	P O Box 1018 DURBAN 4000	(031) 336 2700	(031) 304 9546
Mpumalanga	Prorom Building, 5 <sup>th</sup> Floor C/o Paul Kruger and Brown Streets NELSPRUIT	Private Bag X11259 NELSPRUIT 1200	(013) 759 7300	(013) 755 1678
Northern Cape	Department of Public Works Bldg, C/o Knight and Stead Streets KIMBERLEY	Private Bag X6101 KIMBERLEY 8800	(053) 831 4125	(053) 831 5682
Limpopo	Azmo Place 49 Joubert Street POLOKWANE	Private Bag X9506 POLOKWANE 0700	(015) 290 1200	(015) 295 3249
North West	Motswedi House, 1 <sup>st</sup> Floor Dr James Moroka Drive MMABATHO	Private Bag X5 MMABATHO 2735	(018) 384 3270/6	(018) 384 2059
Western Cape	De Goede Hoop Park 17 Strand Street BELLVILLE	Private Bag X 16 Sanlamhof BELLVILLE 7532	(021) 950 7100	(021) 946 3666

**Contact details of DWAF head office**

<b>PROVINCE</b>	<b>STREET ADDRESS</b>	<b>POSTAL ADDRESS</b>	<b>TELEPHONE</b>	<b>FAX</b>
Gauteng,	185 Schoeman Street, Sedibeng Bldg PRETORIA	Department of Water Affairs and Forestry Directorate: Water Resource Pricing and Finance Private Bag X313 PRETORIA 0001	(012) 336 8066 082 807 6160	(012) 323 5041