

# FRAMEWORK FOR THE RURAL ECONOMIC TRANSFORMATION MODEL: ONE DISTRICT, ONE AGRIPARK / EVERY MUNICIPALITY A CRDP SITE

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rural development  
& land reform

Department:  
Rural Development and Land Reform  
**REPUBLIC OF SOUTH AFRICA**

# 1. Introduction

## 1.1 Colonial Legacy

- The 1913 Natives Land Act resulted not only in a dispossession of land but an erosion of culture, livelihoods and **Ubuntu**, which was the anchor of social cohesion in rural communities.
- Further that in its primary role as a segregating measure, the Act was designed to “confine 80 percent of the country’s population to 13 percent of land”. (Charles van Onselen). This then remained the norm for most of the remainder of the century (Miller and Pope, 2000) and the resultant impact inherited by today’s generation is land degradation, poor soil quality, food insecurity, poor infrastructure and basic services, high levels of unemployment and illiteracy amongst others.
- The primary route to adopt in the struggle to reverse the legacy is to review the tenure system; and to decongest the 13% land space by resettling people from it to the 87% historically white area.
- There is recognition therefore that the rural economy space in South Africa reflects colonial patterns of economic development. The geo-spatial sources of raw materials, which are rural areas, continue to subsidize the urban economy. Put differently, the rural poor continue to subsidise the urban rich.

# 1.2 Apartheid Legacy

- This pattern of colonial development, in the case of South Africa, has been exacerbated by the system of Apartheid, which confined African people into undeveloped Bantustans, or, so-called ethnic homelands, and peri-urban areas called Bantu Locations.
- Apartheid's spatial design inevitably resulted in the following social, economic and cultural anomalies, in the former Homeland areas: fragmented development planning, without viable economic, social and cultural linkages to the more economically active and relatively prosperous commercial urban areas of the country (areas with markets, credit facilities, access to public transport, amenities, facilities, etc); and, chronic underdevelopment with its social, economic and cultural manifestations – absolute poverty, unemployment, rural-urban income inequality.

# 1.3 Patrimonial Authority

- The so-called ethnic homeland areas have been, and continue to be, dominated by traditional governance or '*patrimonial authority*' sustained by some subsistence economic activity, driven, in the main, by women, as the men generally worked in the mines and white commercial farms. When they retire home they have neither energy nor inclination to work the land. Under the circumstances, this land lies fallow and poverty is the order of the day.

## 2.Problem Statement

- Apartheid segregated South Africa into three kinds of social, economic and politico-administrative spaces: the major urban areas, which were a preserve of white people; fertile commercial farming regions and associated small rural towns, also a preserve of white South Africans with farm dwellers providing labour to the commercial farming sector; and, barren, economically unviable homeland areas, reserved for South Africa's black majority population providing labour to the urban centres and industrial areas.
- In summary, it is the combination of the colonial pattern of economic development, the Apartheid system of racial segregation and patrimonial patterns of authority in the ethnic homelands, which has brought about two distinct economic spaces; developed and well resourced areas vs underdeveloped and under resourced areas(rural). These two spaces co-exist in an exploitative relationship, with the First being white, well resourced, capacitated and is part of the global market economy; and, the Second being poorly resourced, incapacitated and confined to providing raw materials and unskilled labour power to the First.
- In short, the relationship between the two is that of perpetual dependency and exploitation - the poor subsidizing the rich, in terms of both raw materials and unskilled labour (power).

## 2.1 How is it experienced?

- Despite many attempts at dealing with these underdevelopment ills, statistics in 2007 indicated that over half the households in the former Homeland areas relied on social grants or remittances, from relatives and friends working in the urban and commercial farming areas, compared to a quarter of households in the rest of the country. This picture has not changed significantly over the last few years.
- Manifests itself in various ways: social; health; behavioural; moral; environmental; economic
- Significant income inequalities
- The agricultural sector still dominated by well resourced commercial farmers; both production and value chain
- Key economic sectors still largely untransformed; not limited to agriculture; eg mining sector still characterised by migratory labour with the labour sending areas still largely underdeveloped (social ills).

## 2.2 Social, Economic and Political Consequences

- The segregated planning approach of the apartheid government promoted unplanned settlements far from the developed towns. This resulted in scattered residential and farming settlements without viable economic and social linkages and impacts on the cost of delivery of basic services.
- Underdevelopment with its social, economic and cultural manifestations
- Gross income inequality, chronic unemployment and cultural backwardness ((cultural backwardness does not refer to customs but rather a person's inability to advance and improve with changing technology and other innovations)
- Decay of the social fabric (child-headed households, crime, family disputes and lack of Ubuntu) resulting from migratory labour practices;
- Low incomes combined with low levels of employment leave rural households heavily dependent on government grants and remittances by family members working in urban areas and white commercial farms (Statistics SA,2007)
- Environmental degradation
- Unequal distribution of assets, skewed distribution of income and employment opportunities amongst citizens, inequality in access to social services, high level of illiteracy and social backwardness;
- In 2008, 58% of farm workers in the formal sector earned under R1000 a month, compared to just 10% of workers in the rest of the formal sector.

- The above conditions continue to impact the economic structure of South Africa and affect the goal of social cohesion and development.

# Continued....

- To deal with this one would have to engage with a complex set of threats (lack of skills; youth unemployment; substance abuse; teenage pregnancies; huge income disparities) and opportunities (assets, fertile land; livestock...)
- A systems approach with the following dimensions will be required: The knowledge dimension; socio economic dimension; politico institutional dimension; moral-ethical dimension; the aesthetic relational values dimension

# 3. Experience Elsewhere

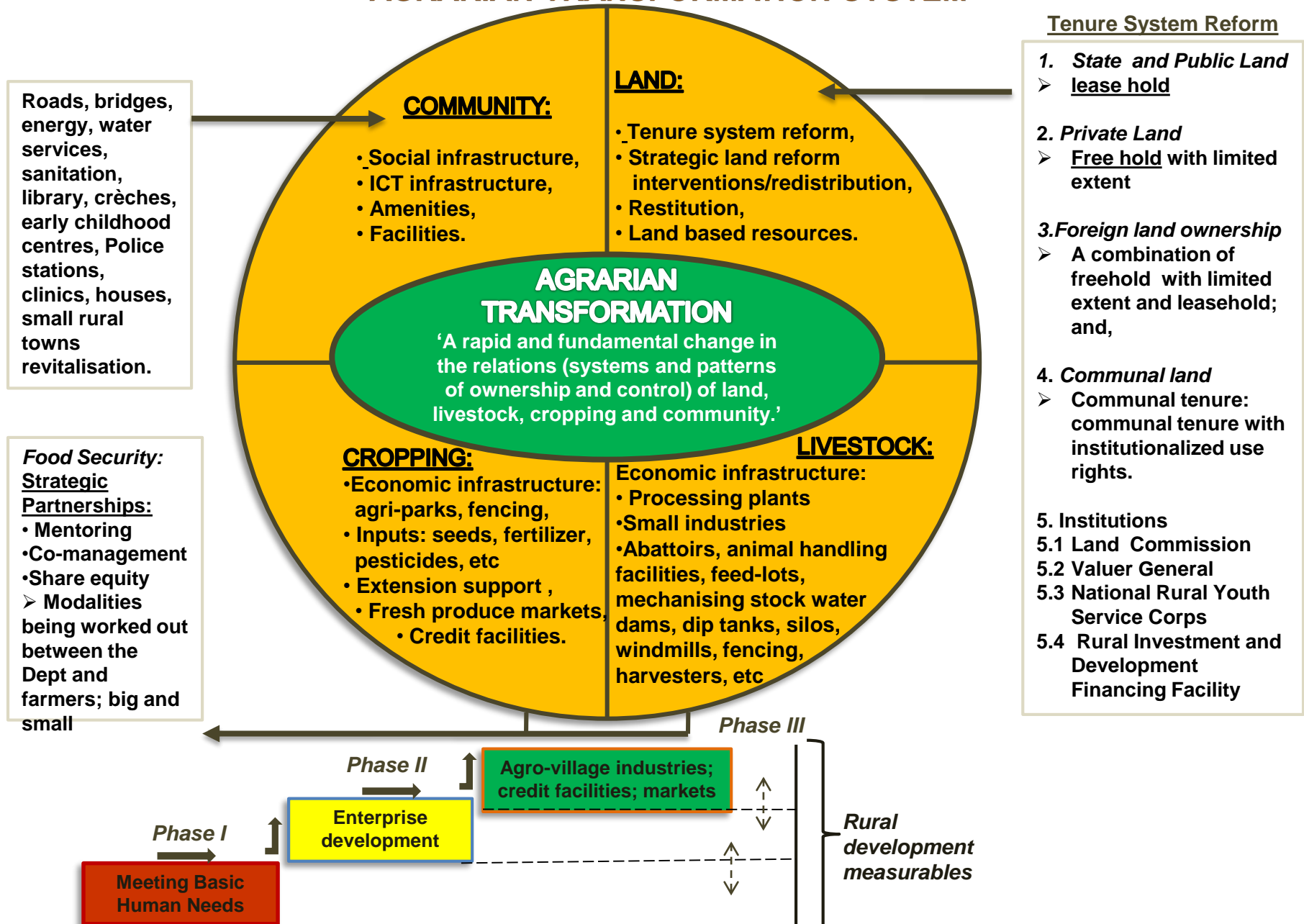
- China
- India
- Brazil
- Mexico
- Chile
- United States of America
- Malawi
- Egypt
- Kenya

## 4. What is to be done?

# 4.1 RURAL ECONOMY TRANSFORMATION MODEL

- Rural Economy Transformation will be implemented through the Agrarian Transformation System (which summarises the mandate of the DRDLR).
- It presents four Development Measurables, laid out in phases, which are meant to run sequentially (for effective planning) and simultaneously (guided by the plans):
  - a) meeting basic human needs;
  - b) rural enterprise development;
  - c) agro-village industries, sustained by credit facilities and value-chain markets; and,
  - d) improved land tenure systems (embedded in meeting basic human needs).

**Figure 1: RURAL ECONOMY TRANSFORMATION:  
AGRARIAN TRANSFORMATION SYSTEM**



**VIBRANT, EQUITABLE AND SUSTAINABLE RURAL COMMUNITIES**

# RETM AS AN IMPLEMENTATION TEMPLATE

- The Introduction and Problem Statement indicates that South Africa faces a triple legacy of colonialism of a special type, where the colonizer and the colonized live in the same country, apartheid ethnic enclaves and patrimonial authority.
- Two models have been developed, designed to reverse this triple legacy: the Wagon Wheel and Institutional Roles and Role-relationships which are a direct response to this legacy.
- The two models are interconnected.
- The Wagon Wheel is a high-level static representation of the social, economic, cultural and political situation in the parts of South Africa that are dominated by communal landholdings and patrimonial authority.

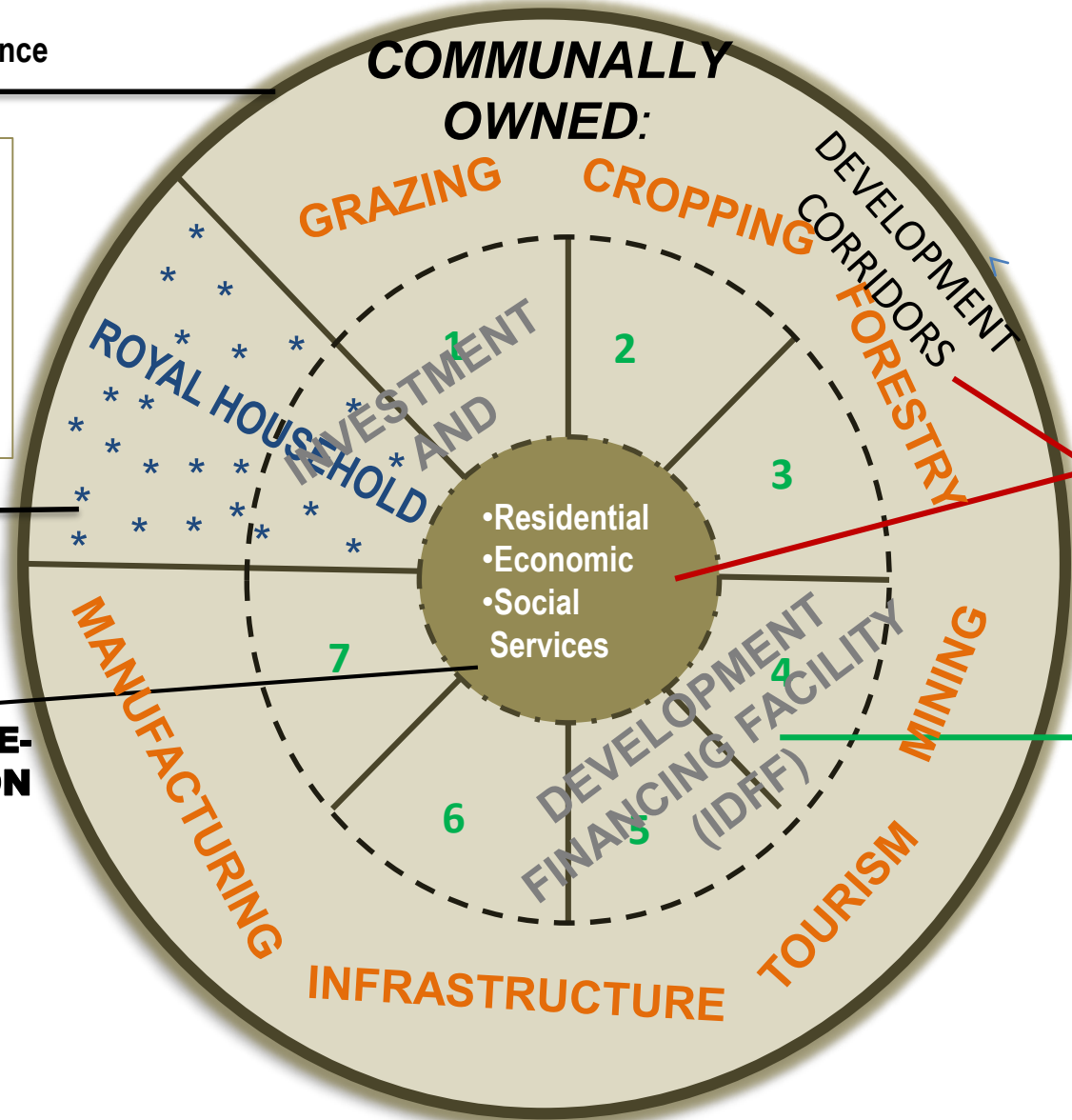
# RURAL ECONOMY TRANSFORMATION: COMMUNAL TENURE MODEL

Outer Boundary:  
Single Title  
Title Holder: Governance  
Structure.

- Roles:**
- Title Holder
  - Adjudication of disputes on land allocation and use
  - Reference Point
  - Land allocation

**TRADITIONAL  
MANAGEMENT**

**COMMUNITY-  
PUBLIC-PRIVATE-  
COLLABORATION**



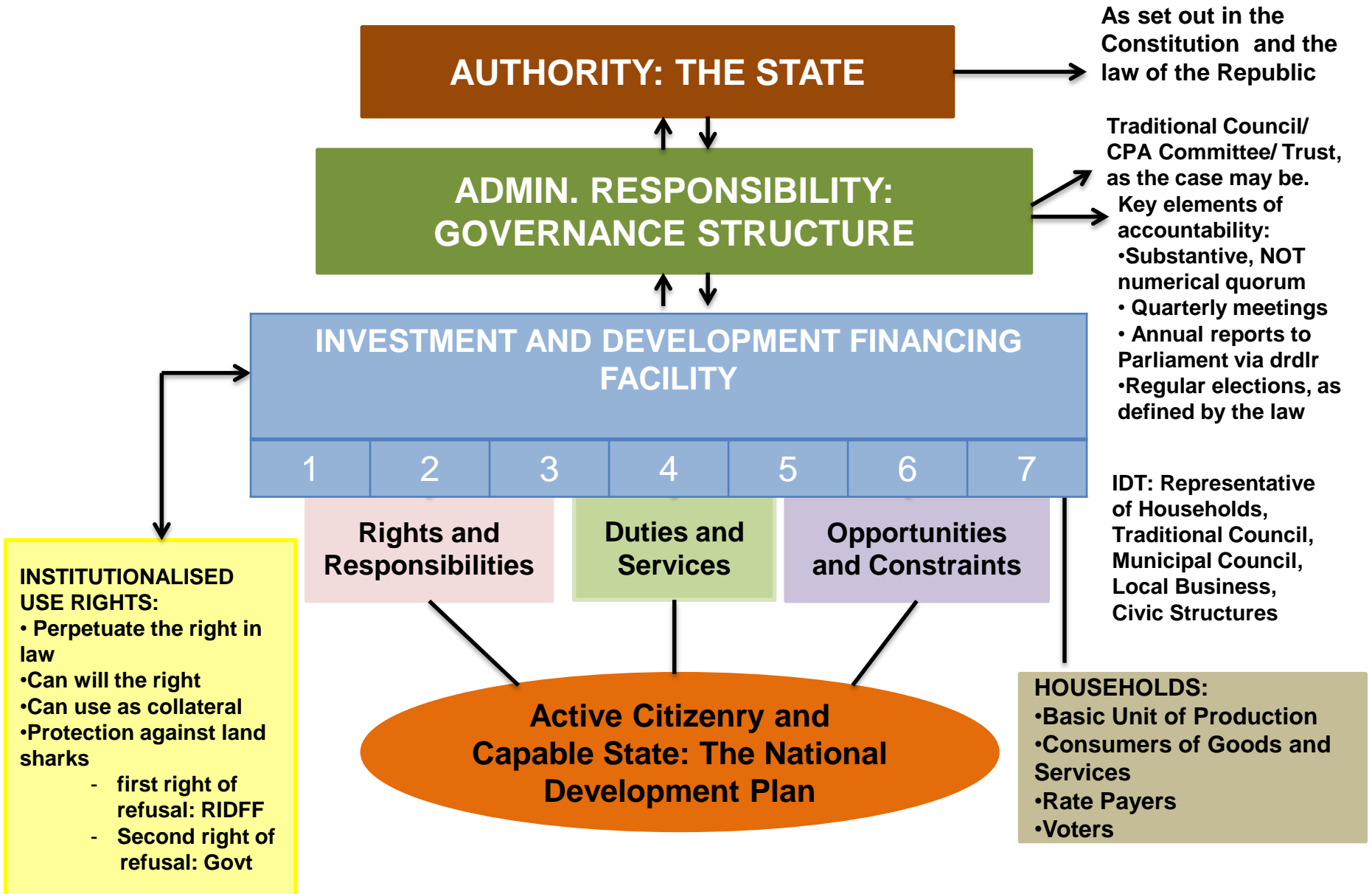
**ROLES: TRADITIONAL COUNCIL/ MUNICIPAL COUNCIL**

**PRINCIPLE: COMPLEMENTARITY ACROSS TRADITIONAL & DEMOCRATIC INSTITUTIONS**

# RETM AS AN IMPLEMENTATION TEMPLATE

- The Institutional Roles and Role-relationships model is a high-level dynamic representation of an institutional framework that defines and streamlines roles and responsibilities of the key players in the rural economy transformation space – organs of the State, community-based governance structures, investors and communities represented by households.
- It also provides an accountability system by the governance structures to households and relevant organs of the State.

# RURAL ECONOMY TRANSFORMATION: INSTITUTIONAL ROLES AND ROLE-RELATIONSHIPS



# RETM AS AN IMPLEMENTATION TEMPLATE

## The State

- The State will perform all roles and responsibilities as set out in the Constitution and other relevant legislation. This includes the functions set out in the CRDP Management System.
- (Set out the role of the state in relation to Agri-Parks)

# RETM AS AN IMPLEMENTATION TEMPLATE

## Governance Structures (Traditional Councils and CPIs)

- At community level governance structures are vested, throughout their area, with the responsibility of administering the land and related resources on behalf of the households.
- They shall hold regular meetings to determine use, account for progress and substantively decide on the way forward will take place at least three times per year and annual reports to Parliament.
- The quorum at meetings shall be 60% of households within the community (“substantive quorum”).
- There will be regular elections to ensure adequate and sufficient accountability and legislative compliance
- In addition, the relevant governance structures must ensure that the household components are formalised as individual title-holders, acknowledging therefore the household as the basic unit of production, irrespective of the model being applied.

# RETM AS AN IMPLEMENTATION TEMPLATE

- Governance structures shall award institutionalised use rights irrespective of gender, with the following features:
- Perpetual right in law;
- Right may be willed/bequeathed in terms of the law;
- Right may be used as collateral; and,
- Right to be protected against land sharks, through:
  - Awarding of the right of first refusal to the Rural Investment and Development Financing Facility (RIDFF); and,
  - Awarding of the second right of refusal to the Government.
- The governance structures will therefore be title-holders, only in respect of the communally owned portions of land shall play a limited role in the Agri-Parks as their role relates to governance of the land.
-

# RETM AS AN IMPLEMENTATION TEMPLATE

## Traditional Authorities – moral authorities

- Traditional Authorities should function as Moral Authorities in traditional areas, in particular to deal with all aspects of development aimed at eradicating the scourge of poverty, inequality and unemployment of the communities within these areas.
- Specific roles have been assigned to Traditional Council, as title holders, and are depicted in the diagram below. These are:
  - Title holder of the entire cadastral unit;
  - Reference point (governance structure);
  - Adjudication of disputes (solving of problems); and,
  - Allocation of resources (according to principles decided upon (not *ad hoc*) with a clear developmental perspective).

# RETM AS AN IMPLEMENTATION TEMPLATE

## Communal Property institutions

- Similarly, where CPIs exist they shall be required to facilitating substantive quorum, holding quarterly meetings, reporting annually to Parliament and ensuring that regular elections take place).
- CPIs, as title holders, have been assigned the following specific roles, depicted in the diagram below:
  - Title-holder of the entire cadastral unit;
  - Reference point (governance structure);
  - Adjudication of disputes (solving of problems); and,
  - Allocation of resources (according to principles decided upon (not *ad hoc*) with a clear developmental perspective).

# RETM AS AN IMPLEMENTATION TEMPLATE

## Households

- The households have rights and responsibilities and duties (enshrined in the Constitution) and require services and development opportunities.
- Through an active and responsible citizenry the state becomes more informed about the needs of communities and made more capable in its communications planning, service delivery and its realisation of outcomes envisaged by the NDP.
- In particular, households will be:
  - Basic units of production;
  - Consumers of Goods and Services;
  - Ratepayers; and,
  - Voters.
- Households within the specific communal area will form part of the RIDFF, as well as the Governance structure, Municipal Council, COS, Local Business and Civic Structures, as the case may be. They shall participate in the Agri-Parks through their membership in the RIDIFF (and as producers) at different levels.

# RETM AS AN IMPLEMENTATION TEMPLATE

## Individual / Private Farmers (in the Agri-Park)

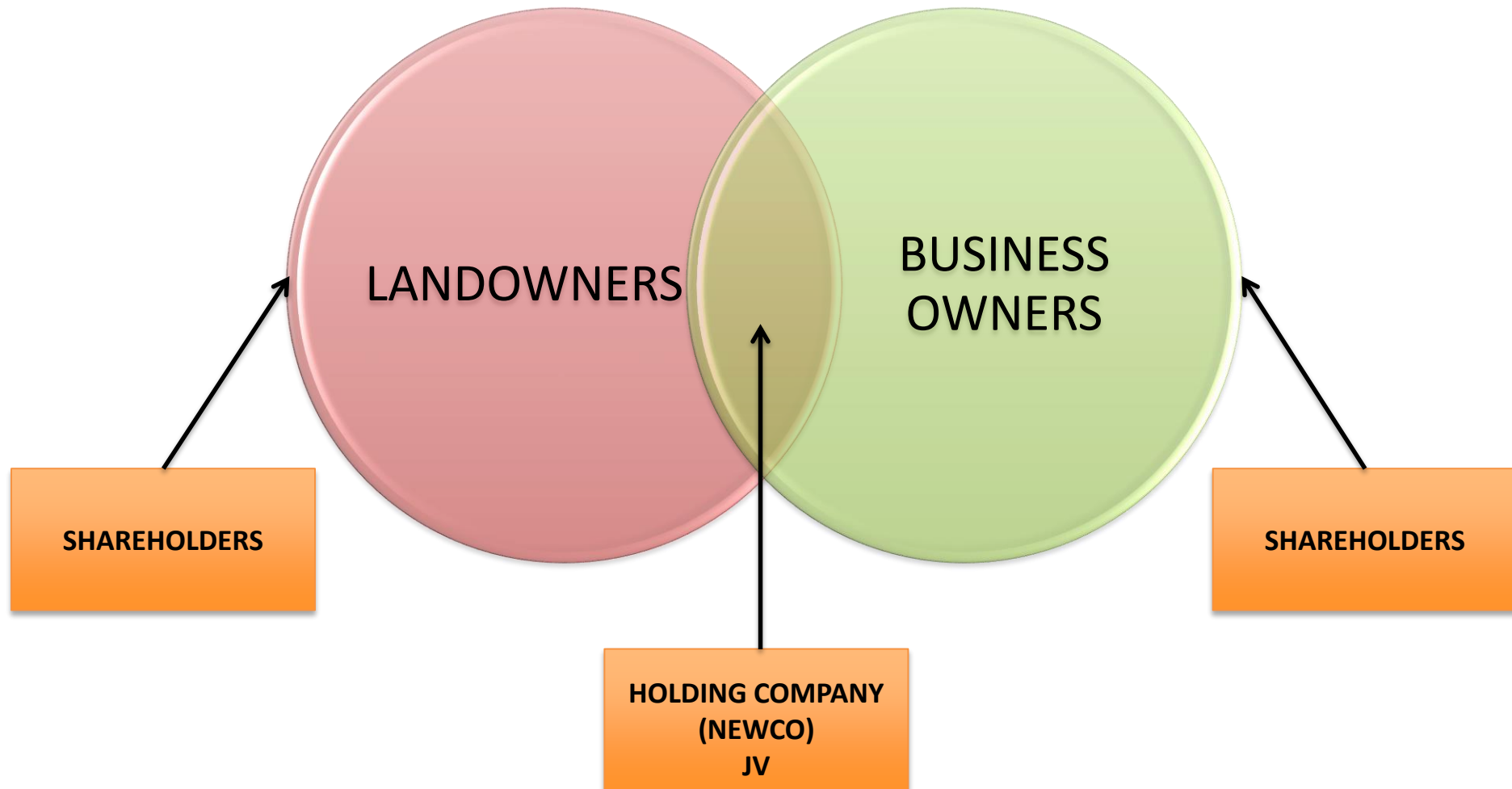
- Set out the role of Individual / Private Farmers who are not land reform beneficiaries in the district (if any)

# RETM AS AN IMPLEMENTATION TEMPLATE

## Local Business Enterprises

- The Share-Equity “*Joint Venture*” Enterprise model (below) depicts the nature of new enterprises to be established (and in certain instances already established) in rural communal areas. In terms of this model, both landowners (title holders) or producers and strategic partners agree to the establishment of a new joint venture (holding company) on mutually acceptable terms and conditions.
- This model shall be applied at community and agri-park level.
- In relation to its application at agri-park level it will be customised to suit the socio-economic conditions in the district.
- For an example at Agri-Park level the Investment and Development Facility can be a corporate structure whose membership will be the various development structures of communities (and producers?).

# SHARE-EQUITY ENTERPRISE MODEL



## 4.2 ONE DISTRICT - ONE MEGA AGRI-PARK:

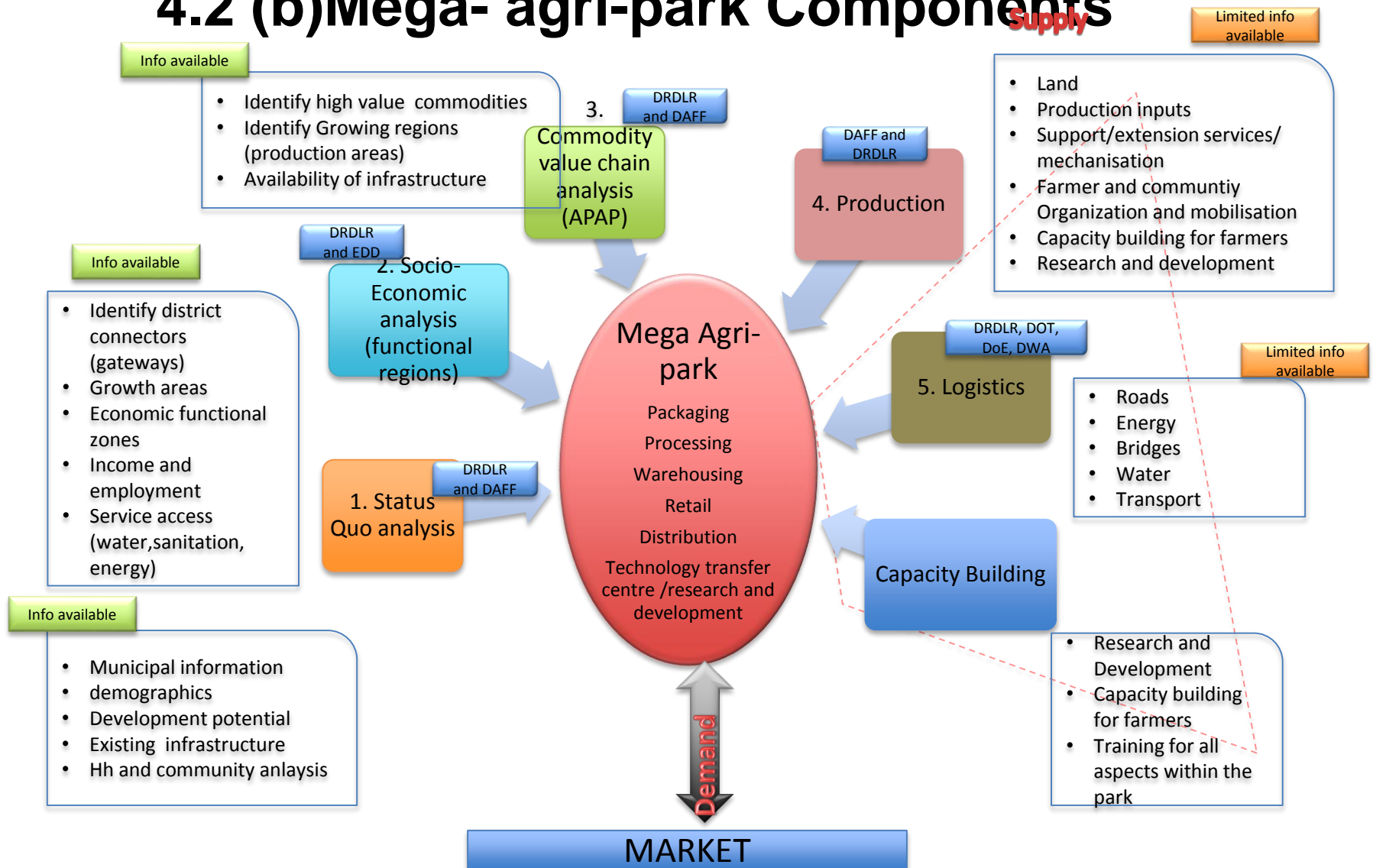
- A mega agri-park to be established in all 27 priority districts
- These must be farmer controlled;
- Organise and mobilise black farmers and agri- business entrepreneurs;
- Partnerships with DAFF and COGTA would be critical
- Important role for outcome 7
- Use state land (25 farms) to catalyse the initiative;
- These agri-parks should be:
  - Based on economic advantage
  - Have all elements of the value chain for dominant products
  - Should be subsidised by the state for 10 years
  - Form part of governments exit strategy for recap; women crafters; and Narysec
  - Lay the basis for RuCoff
  - Ultimately lay the foundation for rural industrialisation

# ONE DISTRICT - ONE MEGA AGRI-PARK

## OBJECTIVES:

1. To ensure that various districts build their production capability, by focusing on the production of commodities that will provide them with a competitive advantage.
  2. To develop a viable economic model that encourages, over the next ten year period:
    - a. the development of a “black class of farmer”, in terms of technical expertise, ability to supply the market sustainably (regularly) and at the desired market quality.
    - b. community development through income generated by the value addition capability of the agri-park (profits reinvested in the community through a Investment Financing Facility).
    - c. Improved property rights in line with the communal models of institutional rights through community buy-in.
    - d. emerging black farmers working in Joint Ventures to participate in supplying the agri-park
    - e. private farmers to join the agri-park, as a lucrative investment opportunity.
  3. To develop partnerships with other government stakeholders to develop critical economic infrastructure like, roads, energy, water, ICT and transportation/logistics corridors that support the agri-park value chain.
-

# 4.2 (b) Mega- agri-park Components



# Levers

## Internal (DRDLR)

- AVMP
- RVCP
- RECAP
- Restitution
- PLAS
- Narysec
- Revitalisation of Rural towns

## External (other depts)

- APAP
- CASP
- Ilema Letsema
- MIG
- IPAP
- CWP
- EPWP
- Food banks

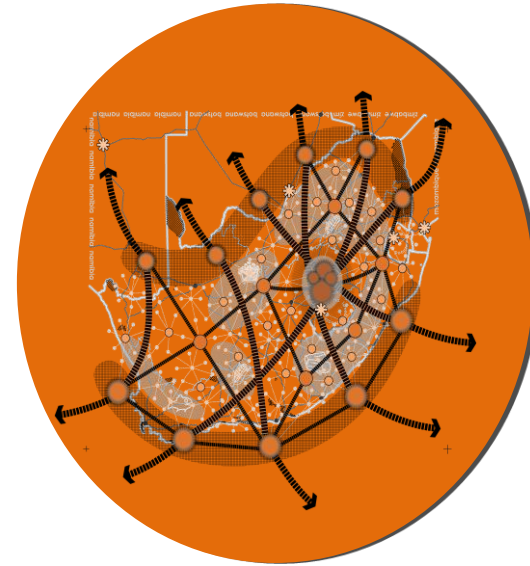
## Private Sector

- Commodity groups
- Cooperatives
- Markets
- Agri-Biz

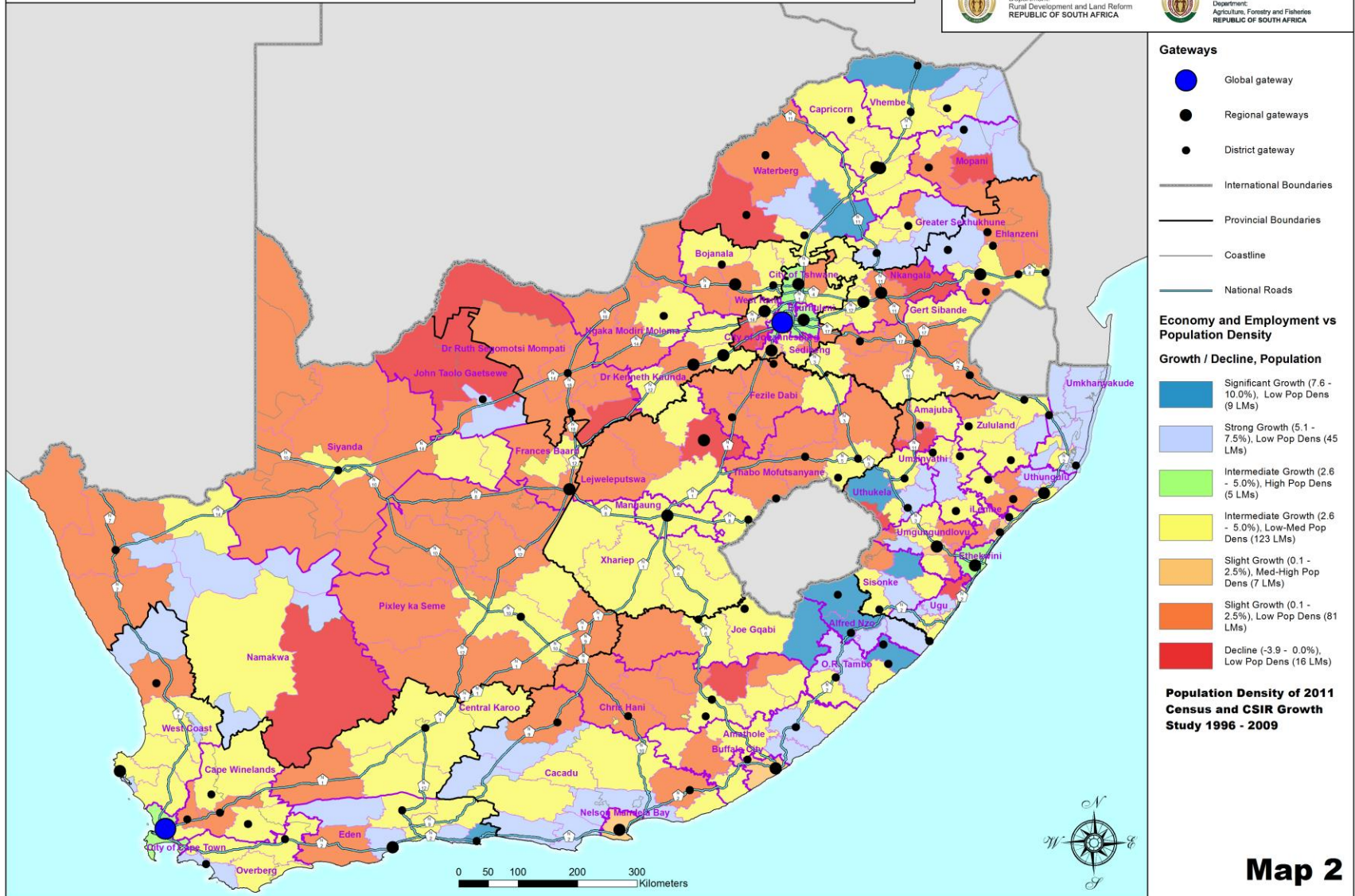
## 4.2 (b)

### 2. Economic Analysis

#### The Functional Regional Economic Network



# Economy and Employment vs Population Density



**4.2 (c)**

**3. Commodity Value Chain Analysis**

**ONE DISTRICT ONE AGRI-PARK**

## **RURAL ECONOMIC TRANSFORMATION MODEL REQUIRES TARGETING OF:**

- In every district identify a district “gateway” town with the highest economic potential to establish agro-processing facilities, taking into account:
  - a. The status quo information, like number of villages, communal areas, number of households benefitting, land availability, agricultural support offices
  - b. The commodities that can be produced successfully, wheat, maize, red meat etc.
  - c. Production Infrastructure available, like ginneries, silos, abattoirs, feedlots, etc.
  - d. Existing businesses / Coops that are already established to support the agroprocessing facilities sustainability.

**Example:** Shows the detailed data that can currently be complied per each of the 27 priority districts

**Province: EC**  
**District: Alfred Nzo**

STATUSQUO	PROVINCE	EasternCape										
	DISTRICT	AlfredNzo				Amathole						
	DISTRICTSIZE(Ha)	1073122				2159492						
	NUMBEROFHOUSEHOLDSINTHEDM	213494				277770						
	NUMBEROFVILLAGESINTHEDM	1679				2224						
	TOTALREGISTEREDSTATELANDINTHEDM(Ha)	72841				190094						
	TOTALNUMBEROFLANDPARCELSINTHEDM	5				15						
	VACANTSTATELANDINTHEDM(Ha)	1349				3043						
	NUMBEROFHIGHVALUE(APA)COMODITIESINTHEDM(outof12)	9				9						
	LOCALMUNICIPALITY	Matatiele	Mbizana	Ntabankulu	Umzimvubu	Amahlathi	GreatKei	Mbhashe	Mnquma	Ngqushwa	Nkonkobe	Nxuba
	# of Villages	424	601	286	368	285	78	631	580	323	311	16
	Total Households (2011)	65900	57623	31972	57999	39603	18237	63744	78887	20746	48871	7682
	#of GatewayTowns	1			1				1			
	#of vacantRegisteredStateLand&parcels	2			3		1		3	4	7	
	VacantRegisteredStateLandAvailable(Ha)	640,86			708,16		179,77		179,65	2001,86	681,24	
	TotalAreaofRegisteredStateLandper municipality(Ha)	51735,1	17374,52	14,61	3716,54	42567,65	2997,75	5,33	1695	42823,65	99374,46	630,31
	TotalAreaof municipality(Ha)	435230,96	241671,93	138495,78	257723,2	482022,66	173599,03	316945,49	327024,09	224090,59	362617,54	273192,18
	#of AgricExtensionoffices										1	
	#of fisheryoffices		1						1	1		
	#of forestryoffices		2	5	7	5		9	13	1	8	1
	#ofSAGISAgri-Processors						2					
	#ofSAGISAgri-Firms/Co-ops											
	#of wineCooperatives											
	#of commercialCooperatives(other)											
	#of freshproducemarkets											
COMODITYAREA-ABOVE12,5TONS PER HECTARE	WHEAT			1	1	1		1	1		1	
	SOYA	1	1	1	1	1		1	1		1	
	POULTRY	1	1	1	1	1		1	1		1	
	FRUIT&VEG											
	WINEINDUSTRY											
	MAIZE	1	1	1	1			1	1		1	
	BIOFUELS	1	1	1	1	1	1	1	1	1	1	
	REDMEAT	1	1	1	1	1	1	1	1	1	1	1
	SORGHUM	1	1	1	1	1	1	1	1	1	1	
	FORESTRY	1	1	1	1	1	1	1	1	1	1	1
	FISHERIES&AQUACULTURE											
	COTTON		1	1				1				

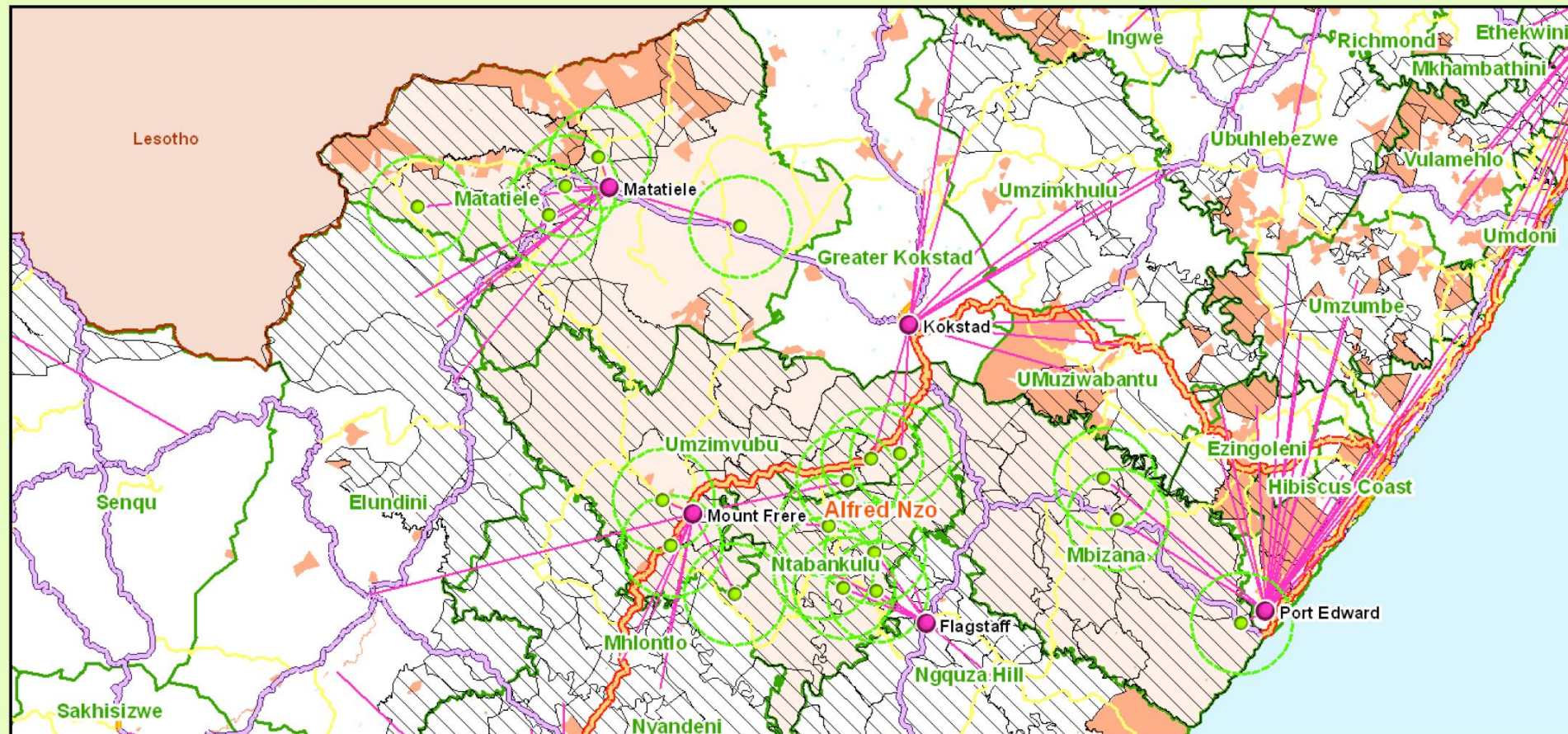
STATUS QUO	Province	Eastern Cape										
		Alfred Nzo				Amathole						
	District											
	District Size (ha)	1073122				2159492						
	Number of Households in the DM	213494				277770						
	Number of Villages in the DM	1679				2224						
	Total Registered State Land in the DM (ha)	72841				190094						
	Total Number of Land Parcels in the DM	5				15						
	Vacant State Land in the DM (ha)	1349				3043						
	Number of High Value (APAP) Commodities in the DM (out of 12)	9				9						
AVAILABLE PRODUCTION INFRASTRUCTURE	Local Municipality	Matatiele	Mbizana	Ntabankulu	Umzimvubu	Amahlathi	Great Kei	Mbhashe	Mnquma	Ngqushwa	Nkonkobe	Nxuba
	# of Sawmills					3						
	# of Ginners											1
	# of Grain Silos										1	
	# of Millers	1	1				1		1			
	# of Poultry Abattoirs					1						
	# of Red Meat Abattoirs	1				3					1	1
	# of Rabbit Abattoirs					1						
	# of Wineries											
	# of Wine Cellars											
NUMBER OF BUSINESSES	# of Feedlots											1
	Number (#) of Maize Processors						2					
	# of Sorghum Processors						2					
	# of Wheat Processors											
	# of Oats Processors											
	# of Barley Processors											
	# of Soybean Processors											
	# of Sunflower Processors						1					
	# of Peanut Processors											
	# of Canola Processors											
DRD R&ND AFF FOOTPRINT IN THEM	# of Fish Farms											
	# of Oyster Farms											
	# of Mussle Farms											
	# of Abalone Farms											
	Has Fishing Harbour											
	Forestry # of Basketry / Beekeeping / Fern											
	Forestry # of Chipboard / Veneer Proc.											
	Forestry # of Charcoal Proc.					2			1			
	Forestry # of Furniture Proc.					3						
	Forestry # of Pole Proc.		2			3						
	Forestry # of Sawmills				4	6					6	
	# of AVMP Project parcels						2				2	
	area of AVMP project parcels (ha)						887				72	
	# of PLAS Project parcels					18	47		3	3	5	6
	area of PLAS project parcels (ha)					21598	29449		6623	5646	10750	
	# of recapitalisation parcels	1				11	21					
	# of Implemented project parcels					15	31				3	6
	# of CASP parcels	7	3	1	5	5	1				5	
	# of Letsema parcels	7	2	1	4	5	1				5	
	# of RID projects		1	1	3			3		1		1

# ALFRED NZO DM: DATA ANALYSIS

- ❑ The Alfred Nzo District has two main economic gateways namely Mataliele and Umzimvubu. Matatiele and Mbizana have the largest number of villages.
  - ❑ Matatiele and Umzimvubu have the largest number of households in the district closely followed by Mbizana.
  - ❑ Matatiele and Umzinvubu both have some registered state land parcels.
  - ❑ Matatiele is the largest LM in the DM with an area greater than 400 000 ha's.
  - ❑ Matatiele has the largest portion of state land in its LM.
  - ❑ Mbizana has a fisheries office but is not a high value commodity and thus has no-farming taking place.
  - ❑ There are no registered cooperatives in the DM.
  - ❑ There are a number of forestry offices in the DM, with the exception of Matatiele LM that has no forestry office.
- Infrastructurally, Mataliele has a meat abattoir and a mill

# ALFRED NZO DM: GEOGRAPHIC ANALYSIS

## Alfred Nzo District : Rural Economic Transformation Model



### Legend

- |                                                                            |                 |                         |
|----------------------------------------------------------------------------|-----------------|-------------------------|
| <span style="color: green;">●</span> Agri-Village/Park Locations           | <b>Roads</b>    | Traditional Authorities |
| <span style="color: magenta;">●</span> District Agro-Processing Facilities | <b>CATEGORY</b> | Local Municipalities    |
| <span style="color: teal;">●</span> Regional Gateways                      | ARTERIAL        | State Land              |
| 10Km Agri Village/Park Zones                                               | HIGHWAY         | 28 Priority Districts   |
| District Settlement Connections                                            | MAIN ROADS      |                         |
|                                                                            | SECONDARY       |                         |



**rural development  
& land reform**

Department:  
Rural Development and Land Reform  
REPUBLIC OF SOUTH AFRICA



0 15 30 60 Kilometers

# ALFRED NZO DM: CONCLUSION

Based on both the data and geographic analysis Matatiele LM (and the town of Matatiele) should be developed as a Agro-processing Hub in the District for the following reasons:

- a) There is a mill and meat abattoir in the LM.
- b) A significant number of hectares of state land is found in the LM, 640ha is vacant
- c) Development in the areas would assist in supporting 66 000 households.
- d) 3 of the proposed agri-villages (farmer clusters) are within 20 Kilometers of Matatiele town and the proposed Agro-processing facility.

# **PRACTICAL EXAMPLE OF HOW INTERVENTIONS IN AN AREA CAN IMPROVE THE JOB CAPABILITY**

## Animated example 2: Phokwane LM



**Vaalharts Irrigation Scheme:** High-value intensive irrigation agriculture

Challenges: Limited land reform, threat of upstream pollution and salination

**Pampierstad:** Dormitory Township with limited retail & other non-residential activities

River – Potential for tourism

Former railway line – no longer in operation

**Ganspan:** Small-scale farming (1ha plots) in irrigation scheme set aside for 'poor white farmers' in the 1940s

Migration pressure from the NW Province

**Hartswater:** Mid-sized rural town with strong retail sector, stagnant light industrial and agro-processing zone & significant in-migration resulting in informal settlement formation

Regional access routes

**Pampierstad & Valspan:** Small rural town with declining retail & industrial zone

N18

R506

R506

N12

# APPLICATION OF TOOL IN LOCAL MUNICIPAL SDF PROPOSALS



## Hartswater:

**Strengthen node into regional growth point as per Functional Economic Network:**

1. Upgrade informal areas
2. Establish research centre
3. Strengthen & expand light industrial & agro-processing activities
4. Enhance education & health services;
5. Redesign main street & densify inner core & main street

## Re-open railway line:

- Improve regional & local accessibility & mobility
- Connect to mining regions in NC and NW
- Improve agro-processing prospects by maximize opportunities in agricultural value chain

# APPLICATION OF TOOL IN LOCAL MUNICIPAL SDF PROPOSALS

## Jan Kempdorp & Valspan:

Strengthen secondary node into manufacturing, storage and transport centre taking advantage of link to Kimberley & Kimberley International Airport

## Upgrade the R506

## Expansion of Vaalharts Irrigation Scheme:

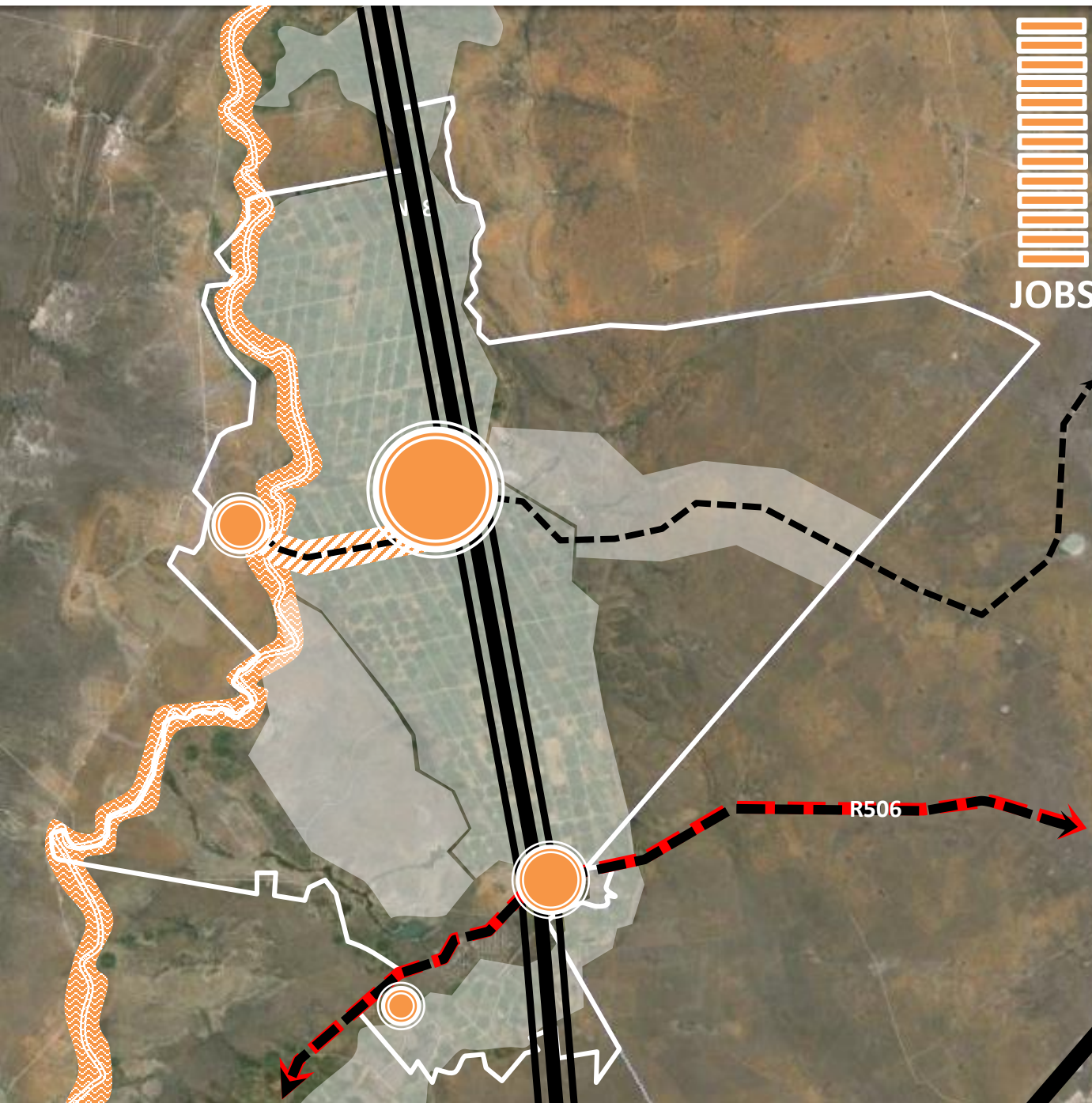
- Other/new crops with higher local beneficiation opportunities
- Livestock based agriculture
- Feed for cattle farmers
- New agro-processing technologies

Land Reform along Kolong Street connecting Pampierstad to Hartswater & Promote agro-processing, manufacturing & retail activities

Pampierstad:  
Upgrade social investment & promote small-scale retail



JOBS



# 4.3 EVERY LOCAL MUNICIPALITY A CRDP SITE

## OBJECTIVES:

1. To ensure that the Comprehensive Rural Development Programme is upscaled and rolled out to the 27 poorest districts based on lessons learnt since 2009 and act on CRDP review 2014.
2. To inculcate the CRDP principles into Municipal Planning and the Integrated Development Plans of every municipality by:
  - a) ensuring every Local Municipality resolves to adopt include a Rural Development Chapter into its IDP.
  - b) Ensuring that a Rural Development Desk is available in every municipality to assist community members with applications for land, restitution, development support, based on IDP identified priorities. (Possible virtual desk in collaboration with municipality)
  - c) To improve resource mobilisation (alignment) eg access the “N” component of the MIG formula to assist municipalities to fund their Rural Priorities and identified in the IDP.
3. To ensure the 3 phases of the CRDP are implemented.
  1. Meeting Basic Human Needs: Status Quo; HH Profiling; Basic Service Provision
  2. Enterprise development; Coops (Agric, Arts+Crafts, Tourism), JVs; / (Grant Support; Tech Support; Recap)
  3. Rural Industrialisation: Access to credit; Processing facilities; Matching Loan Financing (Rucoff)

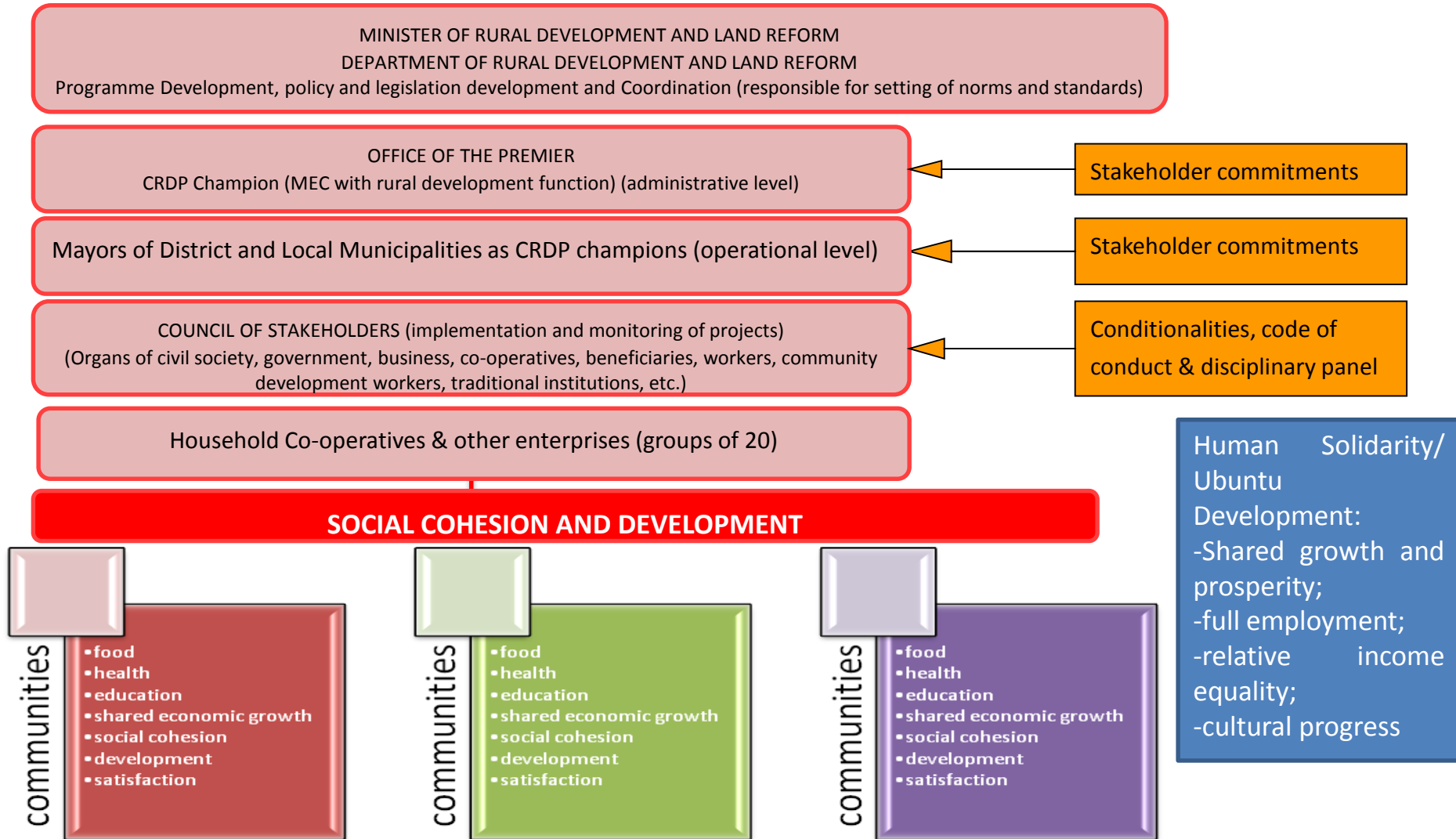
$$MIG_{(F)} = B + P + E + N + M$$

- B- Basic residential infrastructure (new and rehabilitated)  
Proportional allocations for water supply and sanitation, electricity, roads) and 'other' (Street lighting and solid waste removal)
- P- Public municipal service infrastructure (new and rehabilitated)
- E- Allocation for social institutions and micro-enterprises infrastructure

# 5. IMPLEMENTATION STRATEGY

- The CRDP is a transversal programme.
- Its implementation requires the effective coordination and collaboration between various stakeholders.
- To ensure participation of all sectors the CRDP Management System has been developed as a framework for institutional and social engagement to enhance community participation in current government planning processes (Integrated Development Plans).
- The management system flows from national level down to the household level, as indicated in the diagram below.

# CRDP MANAGEMENT SYSTEM



# CRDP MANAGEMENT SYSTEM

- At a national level, the Minister of Rural Development and Land Reform is responsible for outcomes, budget, policy, legislation, strategy and overall coordination of the implementation of national projects (Key Action Programme).
- At provincial level, the Premier is regarded as the CRDP champion, with the MEC responsible for rural development, providing operational monitoring and oversight. The Province shall translate the Key Action Programme into a Provincial Key Action Programme, aligned to National.
- At district municipality level (in the prioritised 27 districts), the district Mayor is the CRDP champion and will ensure that the district Integrated Development Plan includes a chapter on Rural Development that is aligned to the Provincial Key Action Programme.
- The District shall play an oversight role (including project and contract management) on the programmes, project and the Agri-Park.

# CRDP MANAGEMENT SYSTEM

- At a local municipality level, the Mayor is the CRDP champion and will ensure that the local Integrated Development Plan includes a chapter on Rural Development.
- Each local municipality in the 27 prioritised districts shall be a CRDP site.
- The IDP planning process shall be enhanced by additional community and stakeholder participation (through the Council of Stakeholders), assisted by the collective effort within and across the spheres of government (National and Provincial Key Programmes of Action).
- Each local municipality shall hosts a virtual CRDP desks that will be a local gateway to CRDP information and services; and will assist community members with applications for land, restitution, development support based on IDP identified priorities. (set other expectations of the rural desk)
- Implementation of programmes and projects shall take place at local level.
- Local Municipalities shall coordinate and support the Councils of Stakeholders to be established at Ward level.
- It is proposed that the functions of COS be incorporated into those of Ward Committees. (consultation with DCOG still to take place)

# CRDP MANAGEMENT SYSTEM

- The Councils of Stakeholders (COS) which comprises government and various community sectors, such as, traditional authorities, district land committees, land rights management committees, organs of civil society, business, cooperatives, community development workers, etc are responsible for programme and project management; and therefore the achievement of set outputs.
- The COS is at the cutting edge of attempts at fostering social cohesion and development.
- Households, as the basic units of production and consumption form a critical core component of the CRDP Management System through their participation (via representatives) in the COS.
- The CRDP Management System shall be bolstered, at a technical level through a Governance Structure as set out below.

# PLANNING & APPROVAL-PROCESS

Consider CRDP Status Quo Reports (Mega Agri-Park Comp)  
Identify 20% of agricultural land for land redistribution  
Recommend Recap and CASP applications

Receive funding application

Leverage private sector investment to support projects

Recommend potential beneficiaries to lease state farms

Assessment of farms/businesses

Application of Decision Making Support System (DMSS)

Provide final approval of applications for land and development and refer back to Province for implementation. It is Proposed that an SPV be established to implement projects (Onestop shop facility).

**D**  
National Land Allocation and Agricultural Assessment Committee (NLAAAC)

PHASE 2

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**C**  
Provincial Land and Agricultural Forum (PLAF)

**A**  
District Land and Agriculture Committee (DLAC)

**B**  
Provincial Technical Committee (PTC)

Assessment of projects, provide technical analysis, Consultation, Alignment & Recommendations to PLAF.

Support project applications from PTC – ensuring alignment with APP guidelines, Land reform policies, legislation and Provincial development frameworks. Recommend project applications to NLAAAC for approval.

PHASE 1

National  
Key Action Programmes

Provincial  
Commodity/ Provincial/ P project Action Programme

COS

Municipality CDRP Structure

START

# PLANNING & APPROVAL PROCESS

- The planning process is adapted from, and aligned to the APAP planning and approval process
- The process starts with an initiation phase, where National Departments identifies Key Action Programmes (KAP), followed by Provinces translating these into their Provincial Key Action Programmes, which should be clearly aligned to those of National.
- Central to the planning process at local level will be the municipal Integrated development plans. The COS shall develop development / project plans (aligned to IDPs) and recommend to Local Municipalities, who in turn shall recommend to the District Land and Agricultural Committee.
- The DLACs will be responsible amongst other duties for recommending the different support and development programmes of government to farmers, assessing their business/farm plans, etc.

# PLANNING & APPROVAL PROCESS

- The DLACs will be the entry point for applications and screened for completeness.
- The DLACs will further assess all farm plans and business plans, and submit / recommend applications to the Provincial Technical Committee (PTC).
- The PTC will be responsible for final technical assessments of project / business plans before submitting to the Provincial Land and Agricultural Forum (PLAF).
- The role of the PLAF will be to ensure that the applications are aligned to APAP guidelines, Land Reform policies, legislation and Provincial development frameworks. The committee will then recommend project applications to the National Land Allocation and Agricultural Assessment Committee (NLAAC) for approval.
- NLAAC will provide the final approval for all applications and decisions will be referred back to Districts (through the Province) for implementation.

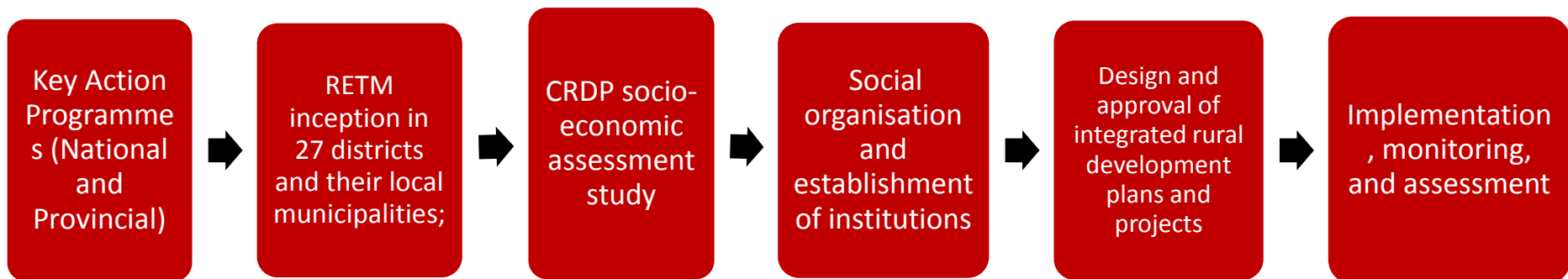
# PLANNING & APPROVAL PROCESS

- The CRDP Management System therefore presents a single, multi-faceted and coherent system: with its institutions, processes, procedures, products, services, human and financial resources that are drawn from different main policies and programmes of government that are necessary for the realization of the transformation of the rural areas.
- It is important to highlight that the governance structure outlined above centralizes decision making.
- It is proposed that the structure be implemented for two years, whilst implementation policies, guidelines and tools are developed; and thereafter decision making be decentralised to Provinces.

# CRDP IMPLEMENTATION TEMPLATE

- The CRDP has the following 6 key performance areas from the CRDP with their respective objectives, activities, outputs, and indicators:
  1. Key Action Programmes (National and Provincial)
  2. RETM inception in 27 districts and their local municipalities (IGR);
  3. CRDP socio-economic assessment study (all 5 components of the Agri-park);
  4. Social organisation and institutional establishment (COS, LMCs, DLACs);
  5. Design and approval of integrated (social, economic, infrastructure, and land reform) rural development plans and projects, and funding;
  6. Implementation monitoring and assessment of agriculture and rural development and land reform projects.

# CRDP IMPLEMENTATION VALUE CHAIN



<ul style="list-style-type: none"> <li>▪ Outputs</li> <li>▪ Objectives</li> <li>▪ Activities</li> <li>▪ Indicators</li> </ul>	Lead Department/s	Other Participants / Stakeholders	Timeframe			Tools
			Up to 31 March 2015	2015/16 to 2018/19	2019 and beyond	

# OUTSTANDING TASKS

Action	Timeframe
Set out the corporate structure of the Agri-Park, and the role of the State in an Agri-Park	End February 2015
Engage Dept of Co-Operative Governance to determine the status, composition and functions of Ward Committees	End January 2015
Investigate form and nature of proposed rural development desks at Local Municipalities	End January 2015
Set out the role (if any) of Individual / Private farmers (not land reform beneficiaries) in Agri-Parks	End January 2015
Align Mapping for APAP with Rural Development Plan TORs	30 January 2015
Commodity mapping per District	15 February 2015
Producer analysis	31 March 2015

# OUTSTANDING TASKS

Action	Timeframe
Finalise narrative document	15 February 2015
Consultation with National (all outcomes);Provincial and local government	End february 2015
Finalise rollout plan to have the District Land Committees operational	End January 2015

# Thank you