



Submission to public hearings on Recapitalization and Development

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1. Introduction

The Land Access Movement of South Africa (LAMOSA) is an independent federation of rural Community Based Organisations (CBOs) advocating for land and agrarian rights, and substantive democracy through facilitating Sustainable Development. It first saw the light of day as the Transvaal Land Restoration Committee (TRAC) in 1991, with its founding members drawn from dispossessed communities in the former Transvaal region.

LAMOSA works in partnership with government and Civil Society Organisations (CSOs) in four provinces – Limpopo, Mpumalanga, Northwest and Gauteng. It cooperates with other national and international Non Governmental Organizations (NGOs) to advocate for a legislative and policy framework that seeks to undo the unequal society created by racist measures emanating from our colonial and Apartheid past.

LAMOSA has been part of South Africa's land reform programme since its inception, and our intention is to make analysis of the paper before us versus the real challenges on the ground, compare and come up with

2. Background on Recapitalization and Development Policy

Recapitalization and Development Policy was conceptualized In 2009, following the evaluation of the implementation of the Land Reform Programme since its inception. It identified that most land reform projects were collapsed and non functional due to a lack of adequate and appropriate post-settlement support. Further to this, most land acquired through the Land and Agricultural Development Programme (LRAD) acquired farms, were in debts and been released to the previous owners, and that defeated the purpose of objectives of land reform.

It was against this background that the Recapitalisation and Development Programme (RADP), was established and launched with the aim to support the beneficiaries of land reform to run sustainable projects. The programme specifies its target groups as "selected distressed land reform properties; selected properties under the administration of the Minister; selected sites within the former homelands and other communal areas". Its objectives are listed as follows:

- That Land Reform farms are 100% productive;
- That the class of black fledgling commercial farmers which was destroyed by the 1913 Natives Land Act is rekindled; and
- That the rural-urban population flow is significantly reduced¹

¹ Recapitalisation and Development Programme, Power Point Presentation to the Portfolio Committee on Rural Development and Land Reform, 5 November 2014: <http://www.pmg.org.za/node/48025>

3. Challenges and Concern with RADP

3.1 Effects on Security of land Tenure – problems for Land Restitution and land reform beneficiaries

Prior to RADP, Land reform programmes had various funding programmes which were deactivated and discontinued. Restitution Discretionary Grants and Settlement Planning Grants have been discontinued. In order to receive a RADP grant you must prove you have a business plan and strategic partner. These new set of policies, the land rights of people living in the former homelands have been made more conditional and less secure.

3.2 Problems with the business plan requirement

RADP requires that communities, often referred to as “applicants” must draw up a business plan to prove that they can use the land “productively”.

In this way, RADP allow people less choice about their own livelihoods. In the case of restitution, a programme which is supposed to a rights based programme, the RADP’s emphasis on *agricultural productivity* above all else. This conditionality infringes upon beneficiaries’ rights to restitution.

3.3 Problems with strategic partners

My colleague from the Alliance for Rural Democracy has already alluded to the power dynamics between the strategic partner and the beneficiaries. The fact that Strategic Partner is identified by the Department, and they have the knowledge that the grant is coming from Government renders the beneficiaries powerless. They have no regard for the beneficiary; they see the partnership as their conduit to access funding. The question then becomes, where is the Department in this whole scenario?

In early 2014, the Parliamentary Oversight Committee visited the Bojanala District Municipalities, where communities were given a chance to submit their oral testimonies. Most of them cited challenges with one company, Mount Nebo. The same company is been used all through the Northern Provinces, almost all LAMOSA members were imposed of Mt Nebo, and to date nothing was done to deal with Mt Nebo. “The strategic partners are behaving like an agent, inflating prices on every item purchased and making profit on anything irrespective of the 10% commission on the amount awarded.

Strategic Partners has become a nightmare to our members and they feel like they are living in a lion’s den. They use bullying tactics, threatening the beneficiaries with fear to lose their funding, they feel trapped within this arrangement with the strategic partners

3.4 Practical Examples:

Name of Community: Barokologadi Communal Property Association

Chairperson: Mr. Tsholofelo Molwantwa: 083 4788 655

Project Manager: Mr. Amos Setou: 082 801 7829

Experience: This community has since refused a mentor from DRDLR, and formed a panel to recruit a mentor. They have appointed Stanford Holdings (to work with them to manage the entire project).

They developed a business plan through a participatory process facilitated by Independent person. They received 10 Million Rand for cattle Project, and some other funds from National Development Agency, The funds Used to: buy cows, implement – tractors, Scrapers, trailers, put up electric fences for two farms and install electricity for two houses, installed petrol pump to supply 3 reservoirs build, meat processing plant and spend some money on the overheads.

They manage to employ 13 full time employees working on the farm. It has brought positive outcomes, a lot of energy because they owned a process and didn't let the strategic partner to dictate for them. They got involved in order to build their capacity to ensure that they manage the farm post Recap and funding.

Name of Community: Uitkyk Communal Property Association

Chairperson: Abram Phiri

Project Manager: Collen Van Wyk: 011 936 7728/ 073 201 8779

Experience: Allocation for the Project was 3.2Million. Department of Rural Development Land Reform people came with their mentor Dr. Mafora from Mount t Nebo Consulting. We don't know when the business plan was developed; we were given a breakdown of an approved budget. What they have bought is a big tractor without implements that is worth half a million, big Diesel Tank without a diesel.. 2million was set aside for building he chicken houses. The project is half build and left it like that) but the supplier was given 10% at fore front.. The strategic partner is the one making out an order for every purchase and quotations for expenditure have to accompany the order. I have signed cheques and agreed on the planting schedule but the strategic partner has disappeared" The community open a case against the Strategic Partner, and demanded that Department must terminate the contract. The department discontinued the project, and it has been two years now and there is nothing happening. It was real a failure

Batlhabine CPA

Chairperson& Project Manager: Eric Ralepelle

The Total approved Budget: R52Million

Mentor: Bernie stop forth getting R 29,000 a month for 5 year period

Experience: First Phase Tranche Allocation for the Project was 12 million. 7 Million was used to develop the farm as they have 8 farms; they manage to buy Tractors Boom sprays cutting machine, 2 bakies and salaries for 164 workers. They have done a nursery for Macadamia nuts and manage to develop 5h of land for the new breed of Bananas.

The Challenge is that they never received the rest. The CPA submitted a full report for the first tranche, and 2nd tranche the Limpopo Rural Development wanted a report for the first trench and they have received the full report from Batlhabine Community. Since they have submitted their narrative and financial report nothing happened. The mentor is not responding to their calls, and they have made an Appointment for next week with the Director to find out what really happened since the submitted their reports.

Key Issues for Consideration

A lot of the money already available is not well spent, with an imbalance between large amounts to support badly conceptualized land reform projects at the expense of large numbers of black farmers in the ex-Bantustans

There is an urgent need to shift away from parallel and conditional systems, with no targeting criteria, to a rationed system and one which puts its emphasis on community-level infrastructure and market development rather than on-farm infrastructureⁱ

Perhaps main points to make:

1. the cost inefficiency of RADP - the report makes that much abundantly clear and the extent to which it is diverting money from land redistribution
2. Inappropriateness in cases where people don't want strategic partners, but they're imposed as a precondition for state support (given that DAFF won't support land beneficiaries out of CASP except old LRAD projects)
3. the extent of resource capture by a relatively small group of strategic partners, who are essentially farming state subsidies

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ⁱ Ruth Hall- Right to Food Recap 11/2014