**4. REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT ON AN OVERSIGHT VISIT TO THE PERISHABLE PRODUCTS EXPORT CONTROL BOARD (PPECB) AND DISTRICT SIX (D6), WESTERN CAPE PROVINCE ON 29 MARCH AND 01 APRIL 2022, DATED 10 MAY 2022**

The Portfolio Committee on Agriculture, Land Reform and Rural Development (hereinafter referred to as the Committee) having undertaken an oversight visit to the Perishable Products Export Control Board (PPECB) and District Six in the Western Cape Province on 29 March and 01 April 2022, reports as follows:

1. **INTRODUCTION**

The oversight activities of the Committee take cue from section 55(2) of the Constitution which provides that “The National Assembly must provide for mechanism - (a) to ensure that all executive organs of the state in the national sphere of government are accountable to it; and (b) to maintain oversight of - (i) the exercise of national executive authority, including the implementation of legislation; and (ii) any organ of state”. From these provisions, it is quite clear that the Executive is obliged to account on its actions. Oversight visits, therefore, constitute a myriad of mechanisms available to the Committee for exercising its constitutional mandate as discussed above.

* 1. **Terms of reference for the oversight visit**

In terms of Section 43(3) and 55(2) of the Constitution as stated above, the Portfolio Committee, as an extension of the National Assembly, holds the Executive accountable through a range of oversight mechanisms. These sections empower Parliament to scrutinise and oversee Executive action as well as ensuring accountability of all executive organs of state. As the Committee is overseeing a large Department (i.e. the Department of Agriculture, Land Reform and Rural Development, hereafter referred to as the Department) with different and complex subject areas, in order to further strengthen its oversight mandate, it realised that briefings were not sufficient to fully understand the mandates and roles of the Department’s various entities. It thus identified the need to physically visit the various entities of the Department to get a better understanding of their operational environments including operational and other challenges.

The PPECB is one of the agricultural public entities that is based in the Western Cape and is responsible for the provision of independent quality certification and cold chain management services for producers and exporters of perishable food products. It controls the export shipment of perishable produce from South Africa and the order of shipment at all ports; makes recommendations on the handling of perishable produce when moved to and from railway trucks and other vehicles or cold stores; and promotes uniform freight rates for the export of perishable products. The PPECB also performs inspections and food safety services as assigned by the Department under the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990).

Over the last 12 months the Committee has had a series of briefings on the developments at District Six and land restitution progress in the Western Cape province generally. The decision to visit District Six housing development within the City of Cape Town is part of that process and a direct response to complaints received by the Committee. The Committee conducted oversight visit in order to gain insights into the complexities of, and the challenges that contributed to, the delays in the completion of phase 3 development of District Six as well as the impediments to the occupation the units, tenure security and title deeds. The oversight schedule entailed a short briefing on the background and key aspects of the challenges, followed by a walkabout of the delegation guided by officials of the Department and the Commission.

**1.2 Objectives of the oversight visit**

The Committee’s objectives for the visit were to:

* Strengthen its oversight mandate by getting an insight into the technical operations of the PPECB through observation.
* Get a better understanding of the PPECB’s operational environment, its role in agricultural exports and challenges thereof.
* Understand the contribution of the services provided by the PPECB to the wider agricultural value chain particularly the agricultural export industry.
* Monitor implementation of processes for allocation and occupation of dwelling units at District Six as part of oversight on the finalisation of District Six land claims. Further, to understand the role that the Commission, the Department and the City of Cape Town play in the development of housing at District Six and what each could do to fast-track occupation of the completed units.
* Gain insights into the complexities of construction of dwelling units under restitution, challenges experienced as well as exploring mechanisms to ensure that the Commission speeds up to resolve the complaints that were received by the Committee.

**1.3 The delegation and attendance by the Executive**

The delegation to the PPECB comprised of the Members of the Portfolio Committee on Agriculture, Land Reform and Rural Development as illustrated on Table 1 supported by the Committee support officials responsible for committee secretarial duties, content support and advice, research and logistics. Also in attendance were relevant officials from the Department of Agriculture, Land Reform and Rural Development; the Ministry of Agriculture, Land Reform and Rural Development, PPECB’s Executive Management and the entity’s Board Member. The visit to the District 6 Housing Development comprised of Members of the Portfolio Committee as illustrated on Table 2 including Committee support officials as indicated above. Relevant officials from the Department, the Provincial Shared Services Centre (Regional Land Claims office), the Ministry and the Commission on Restitution of Land Rights were also in attendance.

Table 1: Delegation to the PPECB (Members of the Portfolio Committee)

|  |  |
| --- | --- |
| Members of the Portfolio Committee | |
| Name | **Political Party** |
| MP Mandela, Nkosi ZMD (Chairperson/Leader of the delegation | African National Congress (ANC) |
| MP Tlhape, Ms MME |
| MP Tshwete, Ms B |
| MP Mahlo, Ms NP |
| MP Mbabama, Ms TM | Democratic Alliance (DA) |
| MP Masipa, Mr N (Alternate Member) |

Table 2: Delegation to District Six (Members of the Portfolio Committee)

|  |  |
| --- | --- |
| Members of the Portfolio Committee | |
| Name | **Political Party** |
| MP Mandela, Nkosi ZMD (Chairperson/Leader of the delegation | African National Congress (ANC) |
| MP Capa, Mr N |
| MP Tshwete, Ms B |
| MP Mahlatsi, Ms D |
| MP Mbabama, Ms TM | Democratic Alliance (DA) |
| MP Masipa, Mr N (Alternate Member) |

1. SUMMARY OF PROCEEDINGS OF ENGAGEMENTS WITH THE PORTFOLIO COMMITTEE

This section summarises the engagements that the Committee held with the PPECB, DALRRD and the Commission on Restitution of Land Rights including site visits.

* 1. **Visit to the PPECB**
     1. ***Briefing by the PPECB***

The visit to the PPECB started with the introduction by the Chief Executive Officer (CEO) of the Executive Management, the entity’s Board representative, a brief presentation about the PPECB and its mandate as well as a short video on the PPECB’s daily activities and its role on the export of perishable agricultural products from South Africa. The CEO’s presentation can be summarised as follows:

* The PPECB is a Schedule 3B national public entity that is established under the Perishable Products Export Control (PPEC) Act, 1983 (Act No. 9 of 1983) and the Agricultural Product Standards (APS) Act, 1990 (Act No. 119 of 1990) to regulate the export of perishable produce. The PPEC Act is under review while the proposed amendment to the APS Act is with Parliament.
* It is a self-funded company that employs approximately 1000 employees (permanent and contracts), placed in its 32 national offices that service 1 492 activity points.
* The entity does inspections on any agricultural product that requires refrigeration or refrigerated transport. It inspects approximately 190 types of perishable products, mostly fruit; as well as dried fruit and grains for exports (grains are inspected from Tshwane). Approximately 63% of fruit produced in the country is exported, 26% is processed and 11% gets into the local markets.
* The PPECB is involved in the export value chain through all inspections from the orchard/vineyard to the pack house, cold store, inland depot up to ship loading in the ports.
* The European Union (EU) is the largest export destination for South African fruit at 37%. The EU is followed by Asia at 18%, Middle East at 14%, United Kingdom (UK) at 13%, Russia at 7%, North America at 6% and Africa at 5%.
* The PPECB is focusing on becoming more customer centric, introducing data analytics and business intelligent capabilities, re-designing the PPECB service delivery model to increase efficiencies and contain cost, improving business process efficiencies through digital transformation and improving business sustainability of black smallholder farmers and suppliers. It has designed a Connectedness Flow that assist producers in identifying and choosing export markets.
* Its strategic projects include the self-funded Agricultural Export Technology Programme for youth; Women in Leadership Programme that is funded in collaboration with AgriSETA and a Development Programme on people with disabilities. Through the Agricultural Export Technology Programme (AETP), which is AgriSETA-accredited, the PPECB educates and trains youth on the export value chain. Once learners receive their qualification certificates, some are absorbed within PPECB and others get employment in the industry.
  + 1. ***Visit to the Cape Fruit Coolers (Cold Storage)***

After the briefings and video viewing, the delegation visited the Cape Fruit Coolers, cold storage facility that is located at Richwood Park. It is one of the various cold stores in the region on which the PPECB does inspections. It stores a wide range of products under frozen and chilled temperatures depending on the Export Protocol of each importing country. The delegation was given a tour of the facility and an inspection demonstration on grapes intended for export was done by one of the PPECB’s Senior Inspectors.

The PPECB ensures that products leaving the country are handled, stored and transported at optimum temperatures and conditions. Cold chain management is a vital link in the export value chain and cold storage units play an integral role in ensuring the quality of produce intended for export is maintained. It is essential that cold stores comply with the minimum food safety and technical requirements for food storage. In cases where produce is intended for export, the relevant cold store must be registered with the PPECB; and must undergo annual inspections and certification.

* 1. **Visit to District Six** 
     1. ***Briefing by the Department of Agriculture, Land Reform and Rural Development and the Commission on Restitution of Land Rights***

* **Brief history of District Six**: Under the Group Areas Act of 1950, District Six was declared a whites only area. District Six community was dispossessed of its land, their houses demolished and people forcefully removed from their homes. The democratic government has since 1994 opened processes for restitution.
* **Lodgement and settlement**: A total of 2 760 claims were lodged, 110 were found to be non-compliant with the Restitution of Land Rights Act (1994), 1 449 opted for financial compensation. Settlement agreements regarding redevelopment of District Six were to be implemented in phases. The City of Cape Town and the Provincial Government allocated land measuring approximately 42hectares for the redevelopment of District Six and the City is expected to contribute to the Bulk Infrastructure and Spatial Planning. Phases 1 and 2 saw a total of 139 dwellings allocated to land claimants (24 in Phase 1, completed in 2008 and 114 in Phase 2 completed in 2012), and 108 allocated in Phase 3. At the time of the visit, 954 claimants were still waiting for their dwellings, noting that claimants may still change options and decide on financial compensation.
* **Phase 3 development**: Whilst the previous phases were facilitated by the District Six Development Trust, and there having challenges with the Trust being both the developer and claimants’ representatives, that arrangement was abandoned. Phase 3 development was facilitated by the Rural Infrastructure Development Branch (RID) of the former Department of Rural Development and Land Reform in line with the order of the Court as discussed below. The development includes a significant upgrade to infrastructure like bulk earthworks, bulk electrical, sewer, storm water, paving roads, streetlights and landscaping that will only service Phase 3.
* **Court Order**: The District Six Working Committee and other applicants took the Department of Rural Development and Land Reform to court seeking a structured order which requires the department to present a plan and programme for land restitution to the District Six claimants. They further requested for the plan to set out a conceptual layout, details of funding and the methodology that will be applied in allocating residential units to the claimants. The costed detailed plan with all the required information was submitted to the court on 17 December 2019. The implementation of the plan for the settlement of the remaining claimants is still outstanding as discussed above and the progress reports were being submitted to the Court on a quarterly basis until the project is finalised.
* **Future developments**: A total of 954 residential units for the remaining old order claimants will be carried out in two major builds; Build 1 comprising 467 residential units and Build 2 comprising 467 residential units. In terms of the original programme, the Department set out to complete the project by the end of 2023 at a cost of R1.5 billion and on the revised programme the completion date is by December 2024 at a cost of R1.87 billion.
* **Different structures representing different interests within the District Six community**: The main committees representing the District Six community are: District Six Reference Group which is the current elected body; District Six Working Committee represents both old order claimants but in the main new order claimants who lodged between 1 July 2014 to 27 July 2016; District Six Civil Organisation which assists beneficiaries and/or returnees with social integration; District Six Advocacy groups representing the interest of the District Six homeowners; District Six Beneficiaries Trust elected by the claimants and facilitated the development of Phases 1 and 2 and the District Six Museum which focuses on heritage and memory making in the space of restitution and restoration.
* **Budget**: A total of R333 million was approved as developmental grants for District Six while a further R351 million was approved as an additional grant funding.
  + 1. ***Site visit - selected Phase 3 residential units***

The Committee visited two types of units; firstly, the three storey building that accommodates six families; and secondly duplexes with bedrooms in the basement area and living area and kitchen at the ground level. However, some of those have all the bedrooms, lounge, kitchen and bathroom on the ground level. The proceedings during the walkabout at Phase 3 residential units can be summarised as follows:

* The officials of the DALRRD and the Chief Land Claims Commissioner led the Committee, giving the committee a guided tour of the selected units, highlighting the size of the units, the fittings and features.
* The three units visited were 2 Bedroomed houses with build-in kitchen cupboards and a stove, a balcony and a common rooftop entertainment area.
* The City of Cape Town was not represented at the walkabout; the Committee therefore could not have a first-hand experience of the concerns that the City had with regard to balcony rails and staircases.
* The three storey units did not have lifts as some members of the community had complained. The department has considered various aspects during the construction, especially the cost of maintenance of the lifts as well as the cost of installation. On the issue of allocation, criteria for allocation took into consideration age and physical ability to ensure that those with some form of disability or elderly were allocated ground floor units.
* The units were not gated, however the Commission had hired a security company to guard the units whilst they remain unoccupied. The security company installed a movable security/perimeter fence. The concern was that the term of its contract had expired, leaving the units potentially exposed to invasions. The Committee was extremely concerned about the security risks for the units that were not occupied at the time of the visit. It was understood that the reason for non-occupation was that there were no certificates of occupancy issued by the City of Cape Town.

1. COMMITTEE OBSERVATIONS

With regard to the visit to the PPECB, the Committee observations were as follows:

* 1. The PPECB’s system integration and move to digitisation of services is crucial and important for quick turnaround times and efficiencies in its operations and also beneficial to developed and technologically advanced producers. However, that can be a constraint to uneducated and computer-illiterate farmers who would like to enter the export market space.
  2. Impact of Covid-19 pandemic and the Ukraine/ Russia conflict to the export industry and consequently, PPECB’s operations and revenue generation.
  3. The small proportion of South African fruit that gets exported to the Continent.
  4. Conditions at ports (and some harbours) that are negatively impacting PPECB’s inspection personnel.
  5. The need for investment on agricultural and rail infrastructure in light of the challenges that are faced by inland producers particularly smallholder producers who are mostly located in remote areas of the country.

With regard to the visit to District Six, the Committee observations were as follows:

* 1. The Commission was complying with the Court order that sought to ensure justice for the victims of forced removals at District Six and has been submitting quarterly reports to the Court as ordered.
  2. There was progress in restoring the dignity of the victims of apartheid’s forced removals of the community of District Six. Completion of phases 1 to 3 development of residential units was a step in the right direction. Further two phases (i.e. 4 and 5) would be completed in 2024/5 financial year.
  3. Whilst phase 3 development was complete at the time of the visit, owners had not yet occupied the units pending the issuance of the certificates of occupancy by the City of Cape Town. A total of 58 certificates of occupation were issued instead of 108 in accordance with the total number of units completed. The Commission was unable to furnish the Committee with the details regarding the certificates of occupancy and reported that the matter was the competency of the City of Cape Town.
  4. The role of the City of Cape Town with regard to enforcement of compliance to building standards was acknowledged. However, the delays with regard to the issuance of certificates of occupancy demonstrated lack of coordination and cooperative governance between the Department, the Commission and the City of Cape Town. Nonetheless, ensuring compliance to standards and the security of beneficiaries was of great importance, therefore it was vitally important to speed up any process that required alterations so that safety of beneficiaries could be guaranteed.
  5. There was lack of clarity with regard to the reported exemption from requirement of certificates of occupancy for the Department by the City of Cape Town. As a result, the Commission had not allowed owners to occupy houses, a major concern for the Committee. Further engagement between the Department and the City of Cape Town was required around this issue.
  6. The Committee commended the Department for completion of Phase 3. It was however, concerned that the process has been extremely slow. Some of the claimants had already passed away, at the time of the visit, without experiencing the redress for the past injustices. The delays in completion of Phase 3 meant that the beginning of the remaining development could be delayed as well.
  7. The reported expiry of a contract between the Department and the security company guarding the Phase 3 units meant that the units would become exposed to possible invasions and/or vandalisation. The Committee expressed deep concerns about the state of affairs with regard to security risks for the units.
  8. The last phases, Build 1 and Build 2, would be concluded in 2024/5. Given complaints by the claimants who have waited for a very long time to return to District Six, the Committee emphasised the significance of prioritising District Six, especially the elderly claimants.
  9. The Commission was in negotiations with the Cape Peninsula University of Technology (CPUT) to purchase land to develop the outstanding phases. It was reported that part of the land owned by the CPUT was historically part of District Six.

1. RECOMMENDATIONS

In view of the observations recorded above, the Portfolio Committee makes the following recommendations to the Minister of Agriculture, Land Reform and Rural Development:

* 1. Ensure that the PPECB gets additional funding for capacity building programmes for smallholder producers to increase their access to export markets including additional funding for the Agricultural Export Technology Programme that is directed at youth.
  2. The Department should submit an action plan with time lines on how it will leverage market access for local producers to the South African Development Community (SADC) and the Continent at large through the Agreement on African Continental Free Trade Area (AfCFTA); and further highlight plans to facilitate and fast-track the participation of smallholder producers in export markets.
  3. The Minister should liaise with the Minister of Transport to discuss the challenges at ports and harbours as well as those relating to freight transport and their impact on the agricultural industry; outlining how the challenges can be comprehensively addressed while also highlighting the need for investment on rail infrastructure particularly for inland agricultural production areas.
  4. The Minister should provide an update on the status of the Strategic Integrated Project for agro-logistics (SIP 11), which was aimed at addressing infrastructure challenges in the agricultural value chain.

With regard to District Six,

* 1. The Chief Land Claims Commissioner submits to Parliament the following reports:
  2. The reports the Chief Land Claims Commissioner and the Minister of Agriculture, Land Reform and Rural Development submit to Court on a quarterly basis are tabled for information to Parliament for consideration by the Portfolio Committee on Agriculture, Land Reform and Rural Development,
  3. Quarterly progress reports about the ‘finalisation’ of the District Six land claim, particularly, the allocation of resources to ensure the restoration of the dignity of the people of District Six through the redevelopment of the area and the return of the claimants and/or their direct descendants. The report should include occupation of Phase 3 units.
  4. Development and implement a communication strategy to ensure that the claimants awaiting the construction of Phase 4 residential units are informed about the progress and the expected date of completion, allocation and occupation of the units. The strategy must also address the issues of the rights and obligations of those claimants occupying the houses, especially with regard to maintenance of the units and rectification of the defects.

* 1. The Department and the Commission must enhance their cooperative governance protocols and systems to ensure that efficient coordination between them and the City of Cape Town in order to circumvent the challenges that led to the delays in the allocation and occupation of the units during Phase 3 development. Together with the City of Cape Town, they must resolve all outstanding matters that are impeding the occupation of the houses by claimants and submit a report to Parliament for consideration by the Portfolio Committee on Agriculture, Land Reform and Rural Development.
  2. The Department must ensure that the security of the dwellings is enhanced whilst the Commission addresses all outstanding issues with regard to the release of certificate of occupancy and attending to any issue that the City has raised with regards to compliance to building standards. Where there are exemptions granted, the Department and the Commission must ensure that the security and the well-being of the beneficiaries occupying the units is not compromised.
  3. For the next phases of redevelopment, the Department and the Commission should ensure that the criteria for allocation of units to claimants prioritise the elderly people and those with physical disabilities for allocation of units on the ground floor. A transparent criteria and allocation process, agreed to with the claimants, must be developed and implemented.

*Within a month after the adoption of this report by the National Assembly, the Minister should submit to Parliament a progress report on the implementation of these recommendations.*

*Report to be considered.*