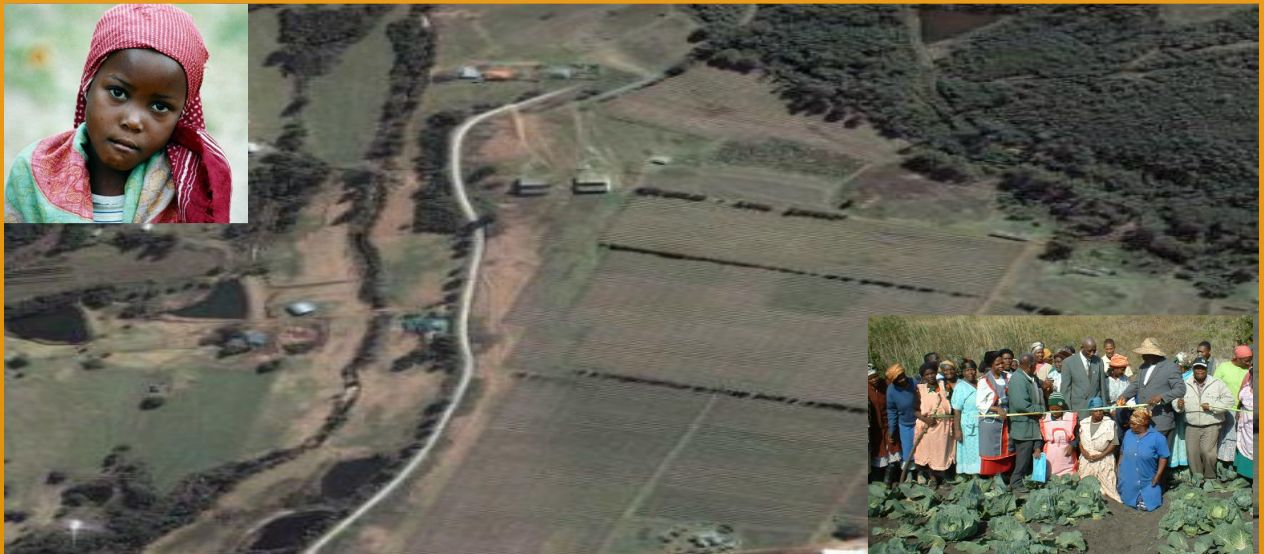




THE LAND AND AGRARIAN REFORM PROJECT (LARP)

The Concept Document

February 2008



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1 GLOSSARY

4x4	ITCAL Agricultural SC that deals with cost drivers for joint initiatives
ABP	Area-based Planning
ARC	Agricultural Research Council
BAS	Government Basic Accounting System
CASP	Comprehensive Agricultural Support Programme
CEO Forum	Forum for Agricultural Chief Executives
CFO	Chief Financial Officer
CLCC	Chief Land Claims Commission
COO	Chief Operations Officer
CPO	Chief Programmes Officer
DDG	Deputy Director-General
DDGBDM	DDG Bio-security and Disaster Management (DoA)
DDGLEBD	DDG Livelihoods, Economics and Business Development (DoA)
DDGLTR	DDG Land and Tenure Reform (DLA)
DDGPRM	DDG Production and Resource Management (DoA)
DDGSSP	DDG Sector Services & Partnerships (DoA)
DFI	Development Finance Institution
DG	Director-General
DLA	Department of Land Affairs
DoA	Department of Agriculture (National)
DORA	Division of Revenue Act
The dplg	Department of Provincial and Local Government
DSC	District Screening Committee
EC	Eastern Cape Province
EPWP	Extended Public Works Programme
ESTA	Extension of Security of Tenure Act
EXCO	Joint DoA and DLA Executive Committee
FS	Free State Province
GITO	Government Information Technology Officer
GP	Gauteng Province
HFP	Household Food Production
HOD	Provincial Head of Department
IAWP	Integrated financial Agricultural Work Plan
IGRFA	Intergovernmental Relations Framework Act, Act No 13 of 2005
IDP	Integrated Municipal Development Plan
IFPRI	International Food Policy Research Institute
ITCA(L)	Intergovernmental Technical Committee for Agriculture (and Land)
KZN	Kwa-Zulu Natal Province
LARP	Land and Agrarian Reform Project
LP	Limpopo Province
LRAD	Land Reform for Agricultural Development Programme
M&E	Monitoring and Evaluation
MEC	Member of the (provincial) Executive Council

MP	Mpumalanga Province
NAMC	National Agricultural Marketing Council
NC	Northern Cape Province
NIFAL	National Intergovernmental Forum for Agriculture and Land
NW	North West Province
NWGA	National Woolgrowers Association
PDA	Provincial Department of Agriculture
PFMA	Public Finance Management Act
PGAC	Provincial Grant Approval Committee
PIG	Provincial Infrastructure Grant
PLAS	Proactive Land Acquisition Strategy
RDP	Reconstruction and Development Programme
SC	ITCAL Standing Committee
Sector Plan	Strategic Plan for the South African Agricultural Sector
SIS	Settlement and Implementation Support Strategy
SOE	State-owned enterprise
Target group for priority 1	Farm dwellers; new producers from and in rural, peri-urban and urban areas
Target groups for priority 2-5	New primary producers; farm dwellers; communal farmers; new and existing Black agribusiness entrepreneurs from and in rural, peri-urban and urban areas
WARD	Women in Agriculture and Rural Development (Association)
WC	Western Cape Province

Document Reference Library

Document File Name	Context and Relevance
The Constitution, Act 108 of 1996	Concurrence of agriculture function; relationship of three tiers of government
Intergovernmental Relations Framework Act, Act No 13 of 2005	Legislative imperatives for joint programmes
Guidelines on Managing Joint Programmes, the dplg	Key reference for LARP Institutional model
Settlement and Implementation Support (SIS) Strategy, Sustainable Development Consortium, 2007	Evidence based support for LARP concept, alignment imperative and institutional model. DLA responsible for settlement.
Working Together for Development- Understanding Intergovernmental Relations, the dplg, ISBN 0-621-37001-0	Reference for LARP Institutional model
Contribution of the departments five priorities 01.doc, 31 May 2007	Document submitted to the Presidency constituting the DoA & DLA commitments in terms of the Presidential APEX Priorities
EXECUTIVE SUMMARY.doc, 21 Nov 2007	Executive summary by DGs DoA and DLA presenting LARP principles and key features
Project Charter document - version 4 (24 August 2007).doc	Initial Charter developed by Bigen Africa based on discussions in the Project Management Unit Workshops
Project Charter 31 August 2007.doc, Project Management Unit	Submission to the DGs DoA & DLA
PMU - Consolidated Provincial Report v2(12-10-	Consolidated inputs from provincial Land Reform

2007).doc	Officials in the Project Management Unit based on Priority 1 of LARP
NIFAL MINUTES (6-7 SEPTEMBER 2007)1 (2).doc	Presentation of LARP model and request for PDA inputs
ITCA Minutes, 31 Oct 2007	Establishment of Standing Committees to drive each of the 5 LARP Pillars
Joint planning inputs from PDAs, November 2007	Joint DLA and PDA provincial plans for LARP implementation
EXCO decisions, 16 Aug 2007	Recognition as a joint project, branding as LARP and that Implementation of LARP will remain within existing structures and budgets, not a separate unit

Amendment History

Version	Release Date	Description of Amendment	Amended By
1	26 Nov 2007	Consolidation of inputs from PMU and Executive Summary and Incorporation of Financing model from World Bank	CPO
2	12 Dec 2007	For DLA consideration	CPO
3	18 Jan 2008	Incorporation of DEXCO & DLA Comments, SIS implications, and Refinement of institutional model according to Guidelines for Managing Joint Programmes	CPO
4	31 Jan 2008	Incorporation of Final DEXCO comments and broadening the context to include social services and IFPRI convergence Conference conclusions	CPO
5	8 February 08	Lekgotla comments and 52 nd ANC Conference Resolutions	CPO
5.2	25 February 08	Following comments from SIS/LARP workshop. Inclusion of DLA members in Standing Committees; Inclusion of Champions	CPO

QUALITY REVIEW

I have personally quality checked this document. If you have any queries, please contact me on 012 319 7947

Name: P J A Swart

2 EXECUTIVE SUMMARY

2.1 Introduction

In 1994, the new democratic Government of South Africa inherited a racially highly skewed land distribution: whites owned 87 and blacks 13 percent of agricultural land. Undoing the legacy of apartheid's unequal land distribution and ensuring the continued productive use of agricultural land transferred to Black ownership is a national priority.

While different policies and programmes have supported land and agrarian reform in the last twelve years the rate of transfer of land has been slow and the general sustainability of projects in question. The provision of settlement support has not aligned adequately to the transfer of land.

A review by Government of its performance in implementing its policies in the land, agriculture and rural sector has revealed that whilst visible gains have been made in some areas, considerably more still needs to be done by Government with its sector partners to ensure a vibrant agricultural and rural sector.

It is an imperative that the pace of land reform be accelerated and the sustainability of individual emerging farming enterprises dramatically improved. International evidence and Government policy suggests that this will require a comprehensive approach addressing the full spectrum of human and physical needs of rural and farm dwellers. Health, housing, education and social service circumstances impact on the productivity of rural and farm dwellers, while agricultural, water, and environmental services and rural infrastructure contribute substantively to the viability and stability of rural South Africa.

The Land and Agrarian Reform Project (LARP) provides a new Framework for delivery and collaboration on land reform and agricultural support to accelerate

the rate and sustainability of transformation through aligned and joint action by all involved stakeholders. It creates a delivery paradigm for agricultural and other support services based upon the concept of “One-Stop Shop” service centres located close to farming and rural beneficiaries.

2.2 Background

In February 2007, the Presidency challenged Directors-General to devise projects that would have maximum impact on the eradication of poverty, job creation, and economic growth in the next two years, with special focus on vulnerable groups, e.g. women and youth. The importance of cooperative government, integration and coordination between departments was emphasised.

The Directors-General of the Department of Agriculture and of Land Affairs responded by proposing an accelerated land and agrarian reform project, to be managed as a joint project of the Department of Land Affairs (DLA), the national Department of Agriculture (DoA), provincial Departments of Agriculture (PDAs), agricultural State-owned enterprises (SOEs) and sector partners. The project was submitted and accepted by the Presidency as one of 24 Presidential priorities commonly known as the Apex Priorities.

The objectives of Apex Priority 7, namely the Land and Agrarian Reform Project (LARP) are the following:

- a) Redistribute 5 million hectares of white-owned agricultural land to 10 000 new agricultural producers¹
- b) Increase Black entrepreneurs in the agribusiness industry by 10 %.
- c) Provide universal access to agricultural support services to the target groups¹.

¹ See glossary for target groups

- d) Increase agricultural production by 10-15% for the target groups, under the LETSEMA-ILIMA Campaign².
- e) Increase agricultural trade by 10-15% for the target groups.

By redistributing land, increasing tenure security and black entrepreneurship, improving access to support services, and increasing production and trade, LARP will directly contribute to the overall goals of the Agricultural Sector Plan, namely participation, global competitiveness and sustainability, and to the White Paper on South African Land Policy.

2.3 Core Features, Principles and Focus Areas

LARP builds on key lessons that have emerged from the implementation of previous land reform instruments, various internal and external reviews, the Land Summit, on-going implementation reform and alignment processes within the national Departments of Agriculture and of Land Affairs and through the Intergovernmental Technical Committee on Agriculture and Land, with Provincial Departments of Agriculture.

One of the most important lessons learned is the need for government to be more pro-active and integrated in its approach. Blazing a trail for the implementation of a more pro-active approach—known as Operation Gijima—LARP is based on a number of key principles to fast-track land and agrarian reform. These principles are:

- a) The use of *focus areas* to concentrate service delivery in order to better exploit synergies between land redistribution, agricultural production and agri-business development;
- b) An *aligned comprehensive support package* to cater for the inherently multi-sectoral requirements to make sustainable agricultural production and agri-

² This campaign aims to bring about an increase in production by unlocking the potential of currently “dead” land and other assets, in particular in communal areas.

business development a success (will also encompass social and other economic services);

- c) The application of *cooperative government* by establishing joint planning, budgeting, approval and implementation procedures between various government departments and programmes;
- d) The full *utilisation of partnerships* in order to exploit the relative strengths and capacities of the key non-governmental stakeholders;
- e) *Subsidiarity*: The decentralisation of decision-making and implementation to the lowest practical level depending on the specific activity; and
- f) The *success and sustainability of individual settlement projects* will be the measure of success of LARP.

Focus areas will be defined in each province based on existing surveys of opportunities, agricultural comparative advantage, and the needs of the target populations to be served. Such focus areas could include:

- Agricultural corridors (high-potential production areas close to national roads)
- Location of large concentrations of farm dwellers
- Areas of high farm dweller eviction rates
- Local Municipalities with strong unsatisfied demands for restitution, redistribution, labour tenant reform, and/or farm employment by people living on farms, in communal areas or in informal settlements.
- Identified market opportunities
- Women and youth as priority beneficiaries

The strength and success of LARP will be derived from a well co-ordinated, aligned bottom-up approach based on joint planning at the local settlement project level and coordinated implementation within government and between government and its sector partners. The role of provincial and district approval institutions will be strengthened to take full operational responsibility for driving the implementation of LARP.

As the success of LARP will be measured by the viability and sustainable success of the individual enterprises, comprehensive business planning and monitoring at the individual project level will form the basis of LARP.

The service offerings and financing of LARP will be provided through the regular mandates and budgets of the individual stakeholders. LARP activities, including advocacy for additional resources, will be jointly planned and implemented in an integrated process, including sector partner offerings, from the district level upwards.

LARP services will be provided via One-stop Shops to its targeted beneficiary clients. The One-stop Shop concept places all relevant services from the different service providers, public or private and whether for business planning, financing for land, fixed or movable assets, farm development, production inputs, value addition or agri-business, in one venue in close proximity to the beneficiaries. The housing, health and other social service requirements of the beneficiaries will be addressed in the local planning process, which will include these relevant service institutions at the local level.

2.4 Governance and institutional arrangements

LARP is a joint project between different spheres of government. The proposed institutional structure has two components, an implementation arm and an arm for joint strategic content and guidance. LARP will be managed in accordance with the Intergovernmental Relations Framework Act, Act No 13 of 2005 and the Department of Provincial and Local Government “Guidelines on Managing Joint Programmes”.

The Guidelines indicate that a Joint Steering Committee should implement a joint project. A National Intergovernmental Forum for Agriculture and Land (NIFAL) and an Intergovernmental Technical Committee for Agriculture and Land (ITCAL)

have been formalised in the agricultural sector in terms of the Intergovernmental Relations Framework Act and these bodies will take overall responsibility for LARP with the Ministry and MECs assuming the role of key champions. Standing Committees have been established within ITCAL to drive the strategic direction of each of the LARP priorities.

Provincial Forum of relevant stakeholders will be established in each province to oversee joint annual provincial land and agrarian reform planning and implementation of LARP while District Committees will assume all planning and decision-making responsibilities regarding individual LARP projects in a province. Existing Provincial Grant Approval Committees (PGACs) and District Screening Committees (DSCs) should be restructured to assume these roles.

These implementation structures at provincial and district level will have the responsibility of ensuring that LARP settlement projects are viable and sustainable over a 5-year incubation period.

A National LARP project manager will assume overall coordinating responsibility for the planning and implementation of LARP under the direction of ITCAL.

All programmes of the DoA, DLA and PDAs are involved with LARP and will provide line function support and resources towards LARP objectives.

3 BACKGROUND AND PROBLEM STATEMENT

The triumph in 1994 of national democracy over the apartheid system left the new Government with an inheritance that would take years to reconstruct in order to develop South Africa into the international community of normal societies.

In the land, agriculture and the rural sector, South Africa inherited arguably the worst racially skewed land distribution in the world; whites who constitute about 10% of the total population owned nearly 90% of the land whilst blacks, who constitute nearly 90% of the population, owned about 10% of the land: whites owned most of commercial farms and agribusinesses whilst their black counterparts were predominantly confined to subsistence and small farms and micro agribusinesses, and lived largely by selling labour to commercial farms and agribusinesses.

Rural whites and commercial farmers enjoyed universal access to modern services and infrastructure whilst their black counterparts lived in remote and underserved rural areas with rudimentary services and infrastructure. Whereas rural whites and commercial farmers were well endowed with financial and capital assets, their black counterparts suffered from high unemployment, poverty, hunger and dependency on social welfare. Whereas rural whites and commercial farmers were organised into active and vocal formations, their black counterparts were poorly organised and were less represented in the key public fora. Whereas agricultural sector policies and services together with macroeconomic and trade policies were favourable to rural white areas, white commercial farmers and agribusiness, the same policies were biased and discriminated against rural black areas, subsistence and small farmers.

The democratic government therefore set itself the goal of reconstructing and developing the land, rural and agriculture sector through the land and agrarian programme to undo the legacy of apartheid. Reducing the highly unequal

distribution of land ownership became a priority as international evidence confirms that an unresolved land question of this magnitude often results in conflict. Another priority was to facilitate greater access and participation by Black people in agriculture and to enhance the productivity of assets that were already in their hands

The introduction of the Reconstruction and Development Programme was a major early milestone in streamlining development of poor communities and in particular its goal and objective to redistribute 30% of agricultural land by 2014 has shaped land reform strategies. A rights-based programme has been undertaken for the restitution of land to persons dispossessed by government action since 1913.

The introduction of the Growth Employment and Redistribution Strategy (GEAR) further strengthened and consolidated the government focus on sustainable agricultural development while the AgriBEE charter confirms the stakeholders' commitment to transforming the sector and inclusion of historically disadvantaged groups in the agricultural economy.

These policies provided the framework for an orderly land and agrarian reform programme which has included a number of schemes including the Settlement and Land Acquisition Grant and Land for Agricultural Development Grant.

In 2001 Government and sector partners developed a Strategic Plan for the South African Agriculture Sector which addressed three core interrelated pillars, namely greater and more equitable participation in the sector, global competitiveness and sustainable resource use. This provided a joint vision of unity and prosperity to the Sector.

However, various reviews by the democratic Government of its performance in implementing its policies in the land, agriculture and rural sector have revealed

that while visible gains have been made in some areas, considerably more still needs to be done to ensure a vibrant agricultural and rural sector providing sustainable livelihoods.

In the priority area of land reform it has been shown that while most urban and non-rural land restitution cases have been settled, the few outstanding cases of predominantly rural and agriculture nature are complicated, complex and prone to slow resolution. Facts also reveal that the pace of land redistribution has been slow and its quantum inadequate to the extent that the target of completing the transfer of 30% of land to Black people by 2014 is under the threat. Tenure reform has been delayed by protracted court and administrative cases.

In the area of agricultural reform, a review revealed that the removal of marketing control boards coupled with the liberalisation of agricultural trade had generally a beneficial outcome for the commercial sector but had not served the interests of the emerging sector.

The Land Summit held in July 2005 attested to the general frustration that exists around the slow pace of land reform. The Summit called for a review of the willing-buyer, willing-seller principle and called for a much more pro-active approach by the government to land reform. Such an approach, according to the Summit participants, would include inter alia more decentralized and integrated delivery systems relying on greater participation and decision-making by beneficiaries themselves; land acquisition by the state through expropriation, negotiation or the market; making land reform part of integrated local and rural development plans, scrapping sub-division restrictions and imposing a progressive land tax.

In conclusion, while land and agrarian reform has brought some positive results in the past twelve years, land transfer has been slower than expected. Moreover, many agricultural settlement projects are of questionable quality and sustainability. These are deficiencies relating to features of the current agrarian

reform policy/programmes and the disjuncture in planning and implementation of land acquisition and transfer and support services to beneficiaries.

4 PROJECT CONCEPTUALIZATION AND PRINCIPLES

4.1 LARP objectives

Against the background stated above the Minister for Agriculture and Land Affairs during a Lekgotla in November 2006 highlighted the need to dramatically accelerate the pace of service delivery. As a result, Operation Gijima was adopted to fast track land delivery and agrarian reform. The President in his State of the Nation address in February 2007, underscored its importance by highlighting the acceleration of land redistribution as one of the key action points for the government.

Furthermore, the President challenged all Directors-General to innovatively and urgently in the following two years address poverty, job creation, and economic growth, with special focus on vulnerable groups, e.g. women and youth. The President emphasised cooperative government, integration and coordination between departments and the utilisation of partnerships as implementation modalities.

The Directors-General of the Departments of Agriculture and of Land Affairs responded by proposing an accelerated land and agrarian reform project, (LARP) to be managed as a joint and aligned project by the national Department of Agriculture (DoA), provincial Departments of Agriculture (PDAs), the Department of Land Affairs (DLA), agricultural State-owned enterprises (SOEs) and sector partners. The project was submitted and accepted as one of 24 Presidential priorities commonly known as the Apex Priorities. The short term objectives of Apex Priority 7, namely for land and agrarian reform are the following:

- a) Redistribute 5 million hectares of white-owned agricultural land to 10 000 new agricultural producers³
- b) Increase Black entrepreneurs in the agribusiness industry by 10 %.
- c) Provide universal access to agricultural support services to the target groups¹.
- d) Increase agricultural production by 10-15% for the target groups, under the LETSEMA-ILIMA Campaign⁴.
- e) Increase agricultural trade by 10-15% for the target groups.

4.2 Lessons learned and new approaches

The LARP approach builds on a number of lessons emerging from various internal and external reviews, and on-going reform processes within Government to fast-track existing and new initiatives, the Land Summit, and a sound policy and legal framework for land reform and agriculture as well as for intergovernmental relations which sets out strong programme principles, but also provides the necessary flexibility.

One of the most important lessons learned is the need for integrated service delivery. LARP aims to reverse a fragmented approach and pro-actively intervene to accelerate land reform and improve agrarian outcomes.

Alongside the need for integration of land and agricultural services it has become evident that a comprehensive approach that addresses the entire spectrum of social and physical needs of farm and rural dwellers is required in planning and implementation of land reform, agrarian and rural projects. IFPRI provides evidence that convergence of health, education and social services are important contributors to productivity in farming and rural sustainability. The objective of improving the sustainability and viability of individual emerging farming enterprises consequently requires a comprehensive approach with all services

³ See glossary for target groups

⁴ This campaign aims to bring about an increase in production by unlocking the potential of currently ““dead” land and other assets, in particular in communal areas.

inclusively considered at the planning stage and serviced in an integrated manner at the local level. LARP has been conceived to provide such an integrated planning and one-stop local delivery framework.

Other key lessons learned include those emerging from the experience of the main land redistribution and agricultural support sub-programme: the Land Redistribution for Agricultural Development Programme (LRAD). The program was originally designed as a Land Redistribution and Agricultural Support Program jointly implemented and funded by the two Departments of Agriculture and of Land Affairs, with decision-making decentralized to Provincial Grant Approval Committees with coordinated comprehensive agricultural support jointly implemented and co-funded.

The integrated implementation of the two programmes as envisaged however did not materialise and the Comprehensive Agricultural Support Programme (CASP) which was instituted as a conditional grant to provincial Departments of Agriculture for support under six pillars was not synchronised with LRAD. The implementation of CASP initially focused on only one pillar, namely on and off farm infrastructure and thus support under CASP was not comprehensive. A recent review of the implementation of CASP has confirmed these deficiencies.

An internal review of LRAD also identified a number of key improvements needed to heighten the impact of the program, including de-emphasizing collective farming, further decentralizing to districts and municipalities and embedding land reform into the Integrated Development Plans, integrating all existing land reform and agricultural products into a unified grant and a single approval process, and increasing the participation of the beneficiaries. The CASP Review came to similar conclusions.

The Settlement and Implementation Support Strategy for Land and Agrarian Reform (SIS)⁵ calls for integration, alignment and delegation of planning and implementation to local levels. Furthermore it proposes that DLA should retain leadership and responsibility for settlement support.

The DoA and DLA in 2006 articulated a need for and launched a fundamental alignment process of all related services and products in the two departments. This alignment has resulted in a broadening of and improvement in collaboration, decisions to improve service delivery and the institution of a joint management committee (EXCO) of the chief managements of the two departments. Core recommendations of the alignment task team to EXCO were that the processes of land acquisition and support planning and delivery, including services of provincial Departments of Agriculture, should be aligned and that land reform data should be consolidated and improved.

Distilling from the lessons learned LARP responds to the need for Government act in a more integrated and aligned manner to:

- improve the rate and quality of land and agrarian reform;
- provide pro-active leadership for land reform and agricultural support;
- streamline and accelerate administrative processes;
- devolve decision-making to the closest operational level practical;
- involve beneficiaries in planning and oversight; and
- improve information for decision-making

4.3 LARP Principles and Timeframe

LARP will be based on a number of key principles to fast-track land and agrarian reform. These principles are:

⁵ Settlement and Implementation Support Strategy for Land and Agrarian Reform, Commission for the Restitution of Land Rights in the Department of Land Affairs, Pretoria, Sep 2007.

- a) The use of *focus areas* to concentrate service delivery in order to better exploit synergies between land redistribution, agricultural production and agribusiness development;
- b) An *aligned comprehensive support package* to cater for the inherently multi-sectoral requirements to make sustainable agricultural production and agribusiness development a success (will also encompass social and other economic services);
- c) The application of *cooperative government* by establishing joint planning, budgeting, approval and implementation procedures between various government departments and programmes;
- d) The full *utilisation of partnerships* in order to exploit the relative strengths and capacities of the key non-governmental stakeholders;
- e) *Subsidiarity*: The decentralisation of decision-making and implementation to the lowest practical level depending on the specific activity; and
- f) The *success and sustainability of individual settlement projects* will be the measure of success of LARP.

While the short term targets for LARP are limited to March 2009, the project life-cycle is envisaged for a five year period, with revisions as agreed by ITCAL/NIFAL.

4.4 Focus areas

In South Africa, as elsewhere in the world, agricultural growth has high multipliers, both in terms of incomes and jobs. Hence, fostering agricultural growth directly and indirectly benefits many of the rural poor. Due to the linkages and multipliers, many poor people will benefit from the second and third rounds of local expenditure, as opportunities for local employment increase and demand for local services rises.

Local economic development in the rural context includes diversifying the economic base, building backward and forward linkages, ensuring basic

standards of health, housing and safety through provision of basic infrastructure and services, maximizing job creation and building on the inherent potential of local areas.

To create and capture the full benefits of these linkages and synergies it is necessary to concentrate efforts on particular focus areas. These could be agricultural corridors (high-potential production areas close to national roads), the location of large concentrations of farm dwellers and areas of high farm dweller eviction rates, particular market or agricultural conditions or geographic location.

A particular focus could emanate from commodities which have been shown to be attractive, competitive and which have the size to make meaningful contribution to income through production, business development and export the impact of scarce resources can be maximised. Commodities so identified in a report by the Monitor Group will be further analysed and promoted through collaboration with the NAMC which will recommend a limited number of key commodities per province. The Harvard Group of economic advisors to the Presidency advised that there should be a focus on tradeable and exportable goods, including in agriculture.

The choice of focus areas could furthermore derive from and align with existing initiatives within the provinces including the Provincial Growth and Development Strategies, Agricultural Growth Strategies, Local Economic Development, and Integrated Development Plans.

Agricultural villages allow households to form communities. The construction or composition of an individual agricultural village will be derived in response to the identified needs and opportunities. Each agricultural village will contain a hierarchy of settlements that are bound together through institutional or economic linkages.

Successful integrated rural development includes vibrant, rural towns and villages that serve their hinterlands and add value to the production that takes place there. Provision of key services in rural towns increases the multiplier for incremental incomes, since rural people can spend more of it closer to home. Much of the infrastructure and service industry (transport, banking, trade, communications, and other) that allows agricultural producers to capture the value of their primary products is located in rural towns. A responsibility exists for investing in social and productive rural infrastructure in order to address poverty alleviation and local economic development.

4.5 Comprehensive Agricultural Support

Experience on land reform in South Africa has shown that access to land is essential, but insufficient to bring about agrarian reform. When beneficiaries do not gain access to markets, credit, technology, labour and training they soon find themselves either indebted or in a state of deepened poverty. Giving land to poor beneficiaries may allow them to produce food or cash crops, but only if they are healthy and have the required entrepreneurial skills and expertise.

Consequently, aside from accelerating the pace of land redistribution, it is vital that the linkage between land redistribution and agrarian reform and rural services be emphasised. The support to small scale and emerging farmers and agri-businesses has been weak and inappropriately designed and not integrated with land reform. The bottom up integrated approach of LARP, including One-Stop Shop delivery and information centres, is intended to address this shortcoming.

LARP will be managed at the individual new settlement or business enterprise level. Each such project will be coherently planned and supported for a five year incubation period with the objective of achieving sustainability over this period. This support will be articulated in individual business plans which will be utilised for monitoring progress. Land will only be transferred to beneficiaries who have

the required entrepreneurial and other skills to farm and have thus received appropriate training and/or passed a skills test. Criteria for this will be determined by the Land Reform SC.

Furthermore, Government support under LARP will be provided to an individual project on condition that the beneficiary is a member of a local farming or business association/or formally constituted study group for the duration of that project and that enterprise and physical data regarding the farm is provided to and maintained by the Government for the duration of the project.

The Comprehensive Agricultural Support Programme (CASP) has since its inception contributed mainly to on- and off farm infrastructure and training. It has not yet addressed the universal support needs required by LARP and the promise of its six pillars, namely information and knowledge management, technical and advisory assistance, and regulatory services, training and capacity building, marketing and business development, on-farm and off-farm infrastructure and production inputs, and financial assistance. Therefore ITCA has re-branded CASP from its previous Division of Revenue Act (DORA) conditional grant characterisation to a comprehensive agricultural support programme that will address the LARP universal access priority. This will require further attention to the supportive role to be played in LARP by the different CASP pillars and the related resource requirements, which for settlement support will be funded by the DLA. The ITCAL Standing Committee on Agricultural Support is tasked to address norms and standards and the unpacking of the CASP pillars. Taking into account the delegation of project decision-making responsibilities to district level and the need to synchronise grant funding for land acquisition and support, the SC will be tasked to investigate and recommend an appropriate procedure and criteria for the management of CASP conditional grants in future. The SC will collaborate with the ITCAL Land Reform Standing Committee in this regard.

The DoA and PDAs recognise the crucial role to be played by extension in the provision of support services and the implementation of the universal access pillar of LARP. A benchmarked extension profiling study undertaken by ITCA has provided objective data on current extension capacity in South Africa and led to the establishment of national norms for extension. The profiling exposed that South Africa has approximately one-third of the required number of extension officers to meet its development targets and that 80% of the current extension staff are not adequately trained. ITCA has endorsed, as part of the CASP technical advisory service pillar, a joint Extension Recovery Plan which will extend over a number of years and for which funding has been approved by National Treasury for the MTEF period.

The NAMC will identify opportunities for 2-3 key commodities for each province, linking agricultural production, processing activities, input suppliers, consumer interests and local and international markets. This will require strengthening the role of extension services and training in these areas and linkages to commodity organizations.

The integration of all product and service offerings from national, provincial, local government and sector partners during local planning and implementation of individual settlement projects and new enterprises as applied to the focus areas is crucial to the success and sustainability of those projects and hence the achievement of LARP objectives.

Hence LARP will facilitate alignment and coordination of agricultural support services available at national, provincial and local level and in the private sector. A One-Stop Shop concept is envisaged to be developed under LARP which consists of service delivery and information centres close to the beneficiaries where initially all financing options and services, both grants and loans, private and public, will be made available to new farmers and where a farm business

planning service can be accessed. Other social and economic services to farmers will be added to the service portfolio.

5 GOVERNANCE

LARP is a joint project between different spheres of government. The proposed institutional structure has two components, namely an implementation arm based on provincial and district structures and an arm for joint strategic content and guidance, namely ITCAL.

LARP has two co-ordinating Departments, namely the DLA and the DoA. This Concept Document represents the project Scope of Work and is the basis of the LARP Project Plan that is to be developed

LARP has been designed as a joint project between different spheres of government and therefore will be managed in accordance with the Intergovernmental Relations Framework Act, Act No 13 of 2005 and the Department of Provincial and Local Government “Guidelines on Managing Joint Programmes”.

The guidelines indicate that a Joint Steering Committee be established by the Executive Authority of the co-ordinating Department for implementation of a joint project. The National Intergovernmental Forum for Agriculture and Land (NIFAL) and the Intergovernmental Technical Committee for Agriculture and Land (ITCAL) have been established respectively at the political and technical leadership levels in terms of the IGRFA and these bodies take overall responsibility for leadership, championing, oversight and management of LARP.

ITCAL Standing Committees have been established to take responsibility for each of the LARP priorities, namely:

- A **Land Reform** Standing Committee chaired by a DLA DDG Land & Tenure Reform (LTR) with Head of Agriculture Department (HOD) Free

State, CEO Land Bank, DoA DDGLEBD, and Deputy CLCC as lead members.

- The **Business** Standing Committee, dealing with both entrepreneurial development and exports, chaired by HOD Limpopo Department of Agriculture with DDGLEBD, CEO National Agricultural Marketing Council (NAMC), CEO Land Bank and Deputy CLCC as lead members.
- The **Agricultural Support** Standing Committee chaired by HOD Western Cape Department of Agriculture and DDG Sector Services and Partnerships (SSP) and DLA DDGLTR as lead members.
- The **Production** Standing Committee (Letsema) chaired by HOD Northern Cape Department of Agriculture with DDG Production and Resource Management (PRM), Deputy CLCC and the President of the Agricultural Research Council (ARC) as lead members.
- An **Agriculture 4x4 Joint Budget** Standing Committee, chaired by DDGSSP and with HODs and CFOs as members, elaborates and articulates spending pressures for joint initiatives identified by the Standing Committees for implementation across provinces.

The Standing Committees report to ITCAL. The Land Reform Standing Committee will oversee the joint planning and implementation of LARP within the provinces and districts and will as demandeur of agricultural support services indicate its requirements to the Agricultural Support Standing Committee. Given DLA's responsibility for settlement support it will provide guidelines on DLA compensation for agricultural services provided by PDAs and other services in the context of settlement support.

The Agricultural Support SC will develop norms, standards, models and criteria for project sustainability and viability which will include *inter alia* a secured market, efficient operational decision-making and a concrete commitment of support to the project by the relevant government and/or private sector service providers. Furthermore that the project has adequate funding, both grant and loan, to ensure viability and sustainability over a five year incubation period. The

debt/equity ratio of projects shall not exceed that which the project can reasonably carry, with a guideline of 30%.

ITCAL will address overall future resource requirements for LARP on the recommendation of the Land Reform and 4x4 Joint Budget Standing Committees and with the benefit of an Integrated Annual Work Plan developed by the National LARP Project Manager. ITCAL will through CFOs engage with Treasuries at national and provincial level to advocate for adequate financing of planned LARP activities. Executive authority for the provision of national resources for LARP resides in EXCO, which will report to ITCAL in this regard.

In the light of the principle of subsidiarity, namely that planning and decisions regarding settlement projects should be taken as close to the project as possible, District Committees will assume all planning, decision-making and implementation responsibilities regarding individual LARP projects in a province. District committees will include representatives of DLA, the PDA, DFIs, local government, local agricultural and community associations, and any other sector stakeholder who can contribute to the planning, implementation, monitoring and sustainability of individual projects.

A Provincial Forum for Land and Agrarian Reform will develop and oversee joint annual provincial LARP implementation plans in each province for approval by the MEC. These will be forwarded to the LARP project manager for integration in the LARP Integrated Annual Work Plan. Each provincial forum will annually publish guidelines, explicit criteria and procedures for the allocation of all national or provincial government grants available for land reform projects (incl. LRAD, CASP, planning grants, PIG etc). The Provincial forums will include representatives of DLA, the PDA, the national CASP manager, participating DFIs and all other sector partners (e.g. provincial farmers unions, housing, health and water departments, community development workers, WARD) that impact on or

have a stake in land and agrarian reform planning and implementation in the province.

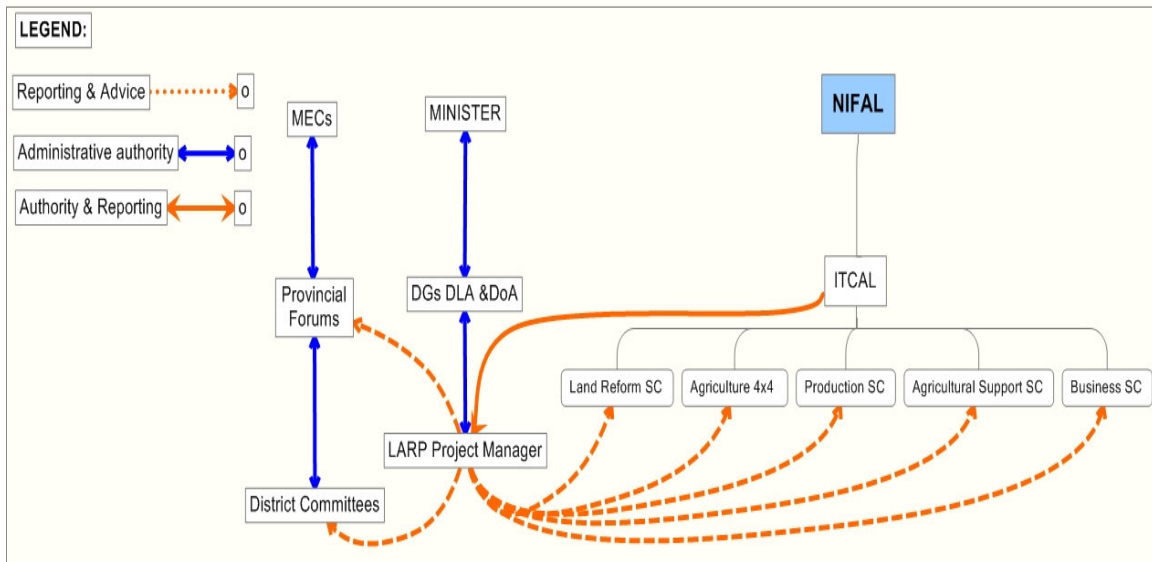
These structures at provincial and district level have the responsibility of ensuring that LARP settlement projects are viable and sustainable over a 5-year incubation period. Existing District Screening Committees and Provincial Grant Approval Committees should be restructured to assume these roles.

The Guidelines on Managing Joint Programmes indicate that the executive authority of the coordinating department should appoint a joint project manager who should together with the joint steering committee be responsible for overseeing the planning and implementation of the joint project.

A LARP National Project Manager, appointed in accordance with the Guidelines by the Minister, will have the responsibility of coordinating LARP as directed by ITCAL; coordinating a LARP Integrated Annual Work Plan; developing for approval by ITCAL a Project Plan representing targets, milestones and timeframes for the implementation of LARP; developing operational manuals, implementation tools and templates; ensuring that joint planning and alignment takes place at all levels; reporting to and assisting ITCAL Standing Committees, coordinating the implementation of the One-stop Shop concept; reporting on the adequacy and the effectiveness of the provincial and district institutional structure as a critical building block of planning and LARP implementation; resolving resource or other issues with stakeholders, EXCO and ITCAL; and planning for the mitigation of risks to the success of LARP.

The LARP project manager will not assume the responsibilities of any of the stakeholders but has a mandate to facilitate alignment of the different structures, ensure joint planning and coordinate relevant activities in accordance with the LARP project plan.

The lines of authority and reporting are depicted in the figure below:



All programmes of the DoA, DLA and PDAs are in some or another way involved with LARP and will provide line function support and resources to LARP in accordance with the LARP project plan. These services along with those provided by SOEs and sector partners will be rolled out to LARP clients in an integrated manner, by way of a one-stop delivery mechanism and on the basis of agreed individual project business plans.

Partnership arrangements with commodity groups and other sector partners at an operational level will be formalised through Memoranda of Agreement.

6 ASSIGNMENT OF FUNCTIONS

In order to avoid duplication functions and authorities are allocated below to each of the levels, but should be reviewed periodically in the light of experience.

Table 1 Leadership Roles

Political leadership	Functions
National Ministry of Land and Agriculture	Overall national political coordination of LARP and leadership in terms of the Intergovernmental Relations Framework Act Coordinate and Chair NIFAL Champion LARP and its principles
Provincial Members of the Executive Council (Agriculture & Land)	Overall Provincial leadership and coordination of LARP Champion LARP and its principles Account to NIFAL on Provincial implementation of LARP Account to NIFAL on the implementation of the coordinated five pillars of LARP
NIFAL	Overall accountability for LARP Sets targets and criteria for LARP outcomes

Table 2 Management level functions

Management level	Functions
Department of Land Affairs	Undertake all land reform planning and implementation in collaboration with Provincial Forums and District Committees Provide human and financial resources to LARP activities via its own mandate and budgetary process in accordance with the IAWP and LARP Project Plan Fund settlement support activities provided by service providers, including PDAs Provide leadership to the ITCAL Land Reform Standing Committee
National Department of Agriculture	Provide Leadership and the secretariat to ITCAL and relevant Standing Committees Set standards, norms and criteria for agricultural support services Administer the CASP DORA funding in accordance with guidelines provided by the Agricultural Support Standing Committee Provide human and financial resources to LARP activities via its own mandate and budgetary process in accordance with the IAWP and LARP Project Plan
LARP National Project Manager	Coordinates LARP and its key principles Reports to ITCAL and DGs of DLA and DoA Prepare a LARP Project Plan for the implementation of the project Collate inputs from provinces and ITCAL SCs and develop the Integrated Annual Work Plan (IAWP) for ITCAL Report on the IAWP implementation Leadership and assistance in setting up provincial forums & district

	<p>committees</p> <p>Project management assistance to Provincial Forums and District Committees</p> <p>Design, with the approval of ITCAL, standardised planning, approval and implementation procedures, manuals and tools for the above structures</p> <p>Report on the implementation and efficiency of the new single virtual land reform database</p> <p>Guidance and coordination regarding the institution of One-Stop Shops</p> <p>Register all individual projects approved by District Committees</p> <p>Develop and maintain an electronic repository/database of key data on individual projects, including their business plans and make available to District Committees and Provincial Forums.</p> <p>Ensure monitoring and evaluation of LARP</p> <p>Reporting on LARP progress</p> <p>Alerting ITCAL of risks to LARP</p> <p>Managing an operational budget for the LARP National Project manager and staff</p> <p>Other functions assigned by ITCAL</p>
Provincial Departments of Agriculture	<p>Core Implementation Agency</p> <p>Act as the principal provider of all agricultural support services to farmers, including focused support to new producers under LARP</p> <p>Establish and provide leadership to the LARP Provincial Forum</p> <p>Ensure the representation on the Provincial Forum and District Committees of all relevant stakeholders, including beneficiaries, for the joint planning, oversight and implementation of respectively joint provincial LARP plans and individual settlement projects</p> <p>Establish District Committees</p> <p>Establish or align with One-Stop Shop service delivery centres</p>
LARP Provincial Forums	<p>Alignment of joint LARP provincial plans and implementation with Provincial Growth and Development Strategies, IDPs and other line departments</p> <p>Identify focus areas for LARP in the province</p> <p>Advocacy for provincial LARP-enabling rural infrastructure</p> <p>Develop a joint provincial annual work plan, including milestones and targets, for inclusion in the IAWP</p> <p>Report to principals and to ITCAL on provincial LARP targets and milestones</p> <p>Collaborate with ITCAL Standing Committees</p> <p>360 degree consulting, communicating and reporting in the province</p> <p>Facilitate and set up District Committees and assign responsibilities</p> <p>Approve and oversee provincial and national funding allocations to its District Committees</p> <p>Facilitate a provincial data base, per district, of potential beneficiaries and land coming on the market</p> <p>Monitor LARP implementation in the province against criteria determined by ITCAL</p> <p>Identify and appoint facilitators/service providers for provincial projects</p> <p>Approve provincial projects through normal departmental procedures and delegations</p> <p>Undertake ex-post audit of selected projects</p>
District Committees	<p>Core coal-face Implementation Agency</p> <p>Approve individual LARP projects</p> <p>Advocacy for required human and financial resources</p> <p>Ensure that all stakeholders and service providers are represented in planning and oversight of individual business plans</p> <p>Mobilisation & empowerment of beneficiaries to participate in planning and oversight over projects and local development processes</p> <p>Ensure the provision of comprehensive services to individual projects (incl</p>

	<p>water, housing, social, education and health)</p> <p>Ensure the development of sustainable individual project business plans</p> <p>Undertake due diligence on each individual project</p> <p>360 degree consulting, communicating and reporting in the district</p> <p>Ensure coordination/integration with municipal IDPs and with other line departments at district level</p> <p>Identify and appoint facilitators/service providers</p> <p>Field testing of operational manuals</p> <p>Supervise identification, appraisal and valuation of land, and supervise negotiations</p> <p>Supervise participatory needs assessment</p> <p>Ensure support is being given to individual projects as planned, effect improvements where required</p> <p>Register individual projects once approved and update individual project data quarterly</p> <p>District project reporting, monitoring and evaluation</p> <p>Approve projects and procurement through normal provincial procedures and delegations</p> <p>Advocate for project funding</p> <p>Facilitate ex-post audit of selected facilitators/service providers and beneficiary enterprises</p> <p>Mediate in disputes that cannot be handled at lower levels</p>
ITCAL & Standing Committees	<p>Provides strategic leadership for and oversight over LARP</p> <p>Recommends norms, standards and criteria for LARP related processes</p> <p>Directs the LARP National Project Manager</p>
Sector partners	<p>360 degree consulting, communicating and reporting among owners and surrounding communities</p> <p>Assist in planning individual projects, including due diligence</p> <p>Provide support services during implementation</p> <p>Participate in identification of land, appraisal, valuation, negotiations, sub-division, etc.</p> <p>Contract loans and ensure repayment</p> <p>Participate in provincial Forums and in planning and oversight over joint LARP provincial plans</p> <p>Participate in and assist District Committees in the planning, development and management of individual projects and supporting initiatives, including agri-villages</p> <p>Manage and account for grant and loan resources to members and facilitators/service providers</p> <p>Develop agricultural villages (resettlement, sub-division, housing and infrastructure development)</p> <p>Enlist service providers and contractors as needed</p> <p>Disburse and account for loan and grant monies to beneficiaries and service providers and contractors</p> <p>Comply to any financial control, reporting and auditing requirements associated with loan and grant monies</p> <p>Produce, process and/or market agricultural outputs</p> <p>Make savings and investment decisions and distribute residual profits</p> <p>Resolve disputes among owners and with sub-contractors</p> <p>Provide peer support systems</p>

7 LARP PRIORITY ACTIVITIES

ITCAL Standing Committees have been instructed to review, refine and develop costed business plans by July 2008 for undertaking a series of relevant agreed activities to achieve the LARP priorities. An indicative list of such priorities appears in Appendix B. Standing Committees should assess these activities, factor in provincial priorities, refine, focus and prioritise them to no more than 6 and together with M&E staff develop indicators for these.

8 LAND ACQUISITION TARGETS

The provisional allocation of the priority 1 target hectares per province is as follows:

Province	2008/09 (ha)	2009/10 (ha)	Total
EC	184,107	368,214	552,321
FS	178,677	288,577	467,254
GP	48,565	60,000	108,565
KZN	180,000	360,000	540,000
LP	94,093	94,093	188,186
MP	189,237	378,474	567,711
NC	329,107	658,214	987,321
NW	142,107	284,214	426,321
WC	154,107	308,214	462,321
Subtotal	1,500,000	2,800,000	4,300,000
CLCC	1,000,000		1,000,000
Total			5,300,000

Given budgetary allocations for 2007/08 and 2008/09 and current land prices these targets are not achievable. An additional budgetary allocation from National Treasury of R2.3 billion for 2008/09 and R7.1 billion for 2009/10 subject

to a contribution of 1 million hectares by the Commission on Restitution of Land Rights would be required to meet these acquisition targets. Furthermore the current capacity constraints would need to be rectified by the approval and implementation of the new DLA structure with an additional operational budget of R2.1 billion.

The table below sets out the achievable scenario in terms of current budget allocation of R2.6 billion and capacity in PLROs, namely the delivery of 608 060ha in 2008/09.

Province	Hectares achievable	2008/09 LARP target hectares
EC	75 000	184 107
FS	74 285	178 677
GP	16 000	48 565
KZN	72 975	180 000
LP	40 800	94 093
MP	75 000	189 237
NC	140 000	329 107
NW	54 000	142 107
WC	60 000	154 107
Subtotal	608 060	1 500 000

The longer term outlook and requirements for achieving the 30% and reform delivery target by 2014 is set out in the table below.

Incremental Approach for 30% target by 2014							
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Total
Estimated per annum (Mil ha)	1.500	2.800	3.800	4.411	4.600	4.300	21.411⁶
Ave Price per ha	3 294	3 617	3 971	4 360	4 788	5 257	
Total Estimated Funding required (Rbil)	4.941	10.128	15.090	19.231	22.025	22.606	94.021
Current baseline (Rbil)	2.616	3.008	3.189	3.380	3.583	3.798	19.574
Shortfall (Rbil)	2.325	7.120	11.901	15.851	7.441	18.808	74.447⁷

However, a different scenario running to 2025 and that the Fiscus may be in a position to support is presented on the next page. This is based on a budget allocation that stays within the current baseline and increases by 6% annually. The linear scenario below provides an indication of the time factor that should be taken into account to realistically reach the 30% target.

⁶ Excluding the 1 million ha from restitution

⁷ Taking the 1m hectares from Restitution into consideration, the required budget will be approximately R72 billion

30% Target by 2025 - linear approach

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Estimated ha per annum (Mil)	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	1.259	21.411
Average Price per ha (Rbil) **	3.294	3.617	3.971	4.360	4.788	5.257	5.773	6.339	6.96	7.642	8.390	9.212	10.114	11.105	12.193	13.388	14.700	
Total Estimated Funding required (Rbil)	4.148	4.553	4.999	5.490	6.029	6.619	7.269	7.980	8.762	9.621	10.563	11.598	12.733	13.981	15.350	16.856	18.508	165.06
Current baseline (Rbil) *	2.616	3.008	3.189	3.380	3.583	3.798	4.026	4.268	4.523	4.794	5.081	5.386	5.710	6.052	6.416	6.800	7.208	79.838
Shortfall (Rbil)	1.532	1.545	1.810	2.110	2.446	2.821	3.243	3.712	4.239	4.827	5.482	6.212	7.023	7.929	8.934	10.056	11.300	85.221

* Based on an assumption of 6% increase in baseline for outer years of MTEF

** Based on linear increase of 9.8%

9 FINANCIAL MANAGEMENT AND PROCUREMENT

It is recognised that the implementation arrangements need to be conducive to rapid delivery, transparency and accountability. At the same time the implementation arrangements also need to strengthen and integrate, rather than duplicate or bypass, existing departmental mandates and functions. This includes planning, budgeting, funds flow, procurement and expenditure control, financial reporting and auditing arrangements at the different spheres of Government, as embodied in the Public Finance Management Act, Act 1 of 1999 (as amended), the Municipal Finance Management Act, Act 56 of 2003 (as amended), the annual Division of Revenue Act and others.

9.1 Planning, budgeting and release of funds

It is the intent that beneficiaries will receive unified assistance and / or grants to finance any of the costs of farm and enterprise development, including planning, land acquisition, housing, agricultural infrastructure, inputs, equipment, animals, relocation costs, training, etc.

The key mechanism to plan, budget and coordinate implementation will be an “Integrated Annual Work Plan” (IAWP), which is to be compiled under auspices of ITCAL by the LARP National Project Manager, based on national and provincial plans and inputs from the ITCAL SCs. The individual joint provincial implementation plans should be sanctioned by the MEC to ensure alignment with Provincial planning. The IAWP will cost the authorised sub-projects/ activities under LARP, and proportionally identify the funding required for each sub-project/ activity from the different departments/ sponsors involved. This funding requirement needs to be integrated into the normal MTEF planning and budgetary processes and structures of the respective national and provincial departments.

ITCAL has the responsibility of approving the IAWP for advocating for appropriate funding through the Offices of their CFOs with national and provincial Treasuries, and with donors. Advocacy is not limited to the DORA, but also should be deployed for improving the equitable share allocations to agriculture and donor contributions where appropriate.

The portion of funding appropriated in the National Estimates as transfers to support implementation at the Provincial and Local Government levels will be released by the respective departments as “conditional grants” under the annual Division of Revenue Act.

9.2 Procurement, expenditure control, accounting, financial reporting and auditing

- Normal departmental spending authorities, procurement and expenditure control procedures and accountability arrangements will apply to all funds appropriated to support implementation of the IAWP at the different spheres of government.
- For activities related to each approved project in the IAWP, the contributing departments would budget for financial needs according to their normal responsibility and budget structures. Expenditure will therefore be accounted for against the appropriated budget of each department.
- The Office of the CFO should consult with the National Treasury to implement a project coding structure in the Basic Accounting System (BAS) to facilitate the electronic extraction of expenditure information related to the IAWP across the different national and provincial departments.
- Where funds are transferred either to facilitators/agents or directly to enterprises to implement an approved project, the regulations contained in Section 38(1)(j) of the PFMA, Act 1 of 1999 (as amended), or Section 67 Municipal Finance Management Act No. 56, 2003 will apply.

- The normal in-year and annual financial reporting requirements for all spheres of government will apply. In addition, the LARP National Project Manager needs to annually compile, with the assistance of the departments and provincial forums, a progress report on the implementation of the previous IAWP.

The normal internal and external audit arrangements that apply to the national, provincial and local spheres of Government will apply.

10 PROJECT MANAGEMENT

International project management experience shows that the top 5 factors for successful projects are: executive sponsorship, thorough planning, clear requirements (Scope), quality assurance (Process) and super human effort. All of these elements are required to ensure that a project will succeed. LARP has been identified as the “flagship interdepartmental alignment project”. Once the first four requirements above have been met its successful implementation will require “super human effort” by all concerned.

LARP will be managed as a large joint project applying best project management practice, strict project management discipline, including monitoring and control over agreed milestones and targets. These milestones and targets will be set in the LARP project plan.

The LARP National Project Manager, appointed by the Minister and reporting to ITCAL and the DGs of DLA and DoA, will have the responsibility of coordinating LARP in accordance with this Concept Document and as directed by ITCAL

The LARP National Project Manager will not assume the responsibilities of any of the stakeholders but has the mandate to facilitate alignment, promote joint

planning and coordinate relevant activities in accordance with the LARP project plan and the IAWP.

Appropriate financial resources to achieve the above project coordinating and management functions will be provided to the LARP project manager by the DLA and DoA on a 50:50 basis. The DoA will provide accommodation for the LARP project manager and staff. Human resources may be seconded to the LARP Project Manager for the duration of the project or on a short term basis as required by the LARP Project Plan. Such staff will have the right to return to their permanent positions upon conclusion of their secondment.

11 IMPLEMENTATION

The implementation thrust will build immediately on existing programmes of the Department of Land Affairs and National and Provincial Departments of Agriculture and other social and economic sector departments that have the possibility of wide impact and replicability, while initiating and developing selected new initiatives including a national agricultural support strategy with a limited number of standardized settlement and support models.

The strength and success of the project will be derived from the well co-ordinated, bottom-up approach inherent in the delivery partnership defined above. Because of this bottom-up approach and the primary reliance on better co-ordination of existing programmes, the strategy will be able to deliver results on the ground very quickly. Provincial Forums and District Committees will be utilised to assume responsibility for planning and implementation of LARP.

At the district and municipal level, implementation includes pro-active joint planning, approval of grant funding for projects, identification of beneficiaries, identification of economic opportunities and constraints, identification of the most appropriate land, negotiation, purchase and expropriation, where needed, sub-

division, where necessary, of the land among enterprises and beneficiaries, resettlement and housing of the beneficiaries on land or in agri-villages, development of agricultural and agri-business infrastructure, ensuring the ongoing provision of agricultural services (such as extension, marketing, input supply and credit).

As a core component of improved integration the process of Area Based Planning (ABP) will be phased in as the key vehicle for enhanced integrated land sector planning. This will provide a platform for better intergovernmental relations and public participation. The beneficiary selection process in the focus areas will be aligned to the Area Based Planning processes. Suitable and productive farmland within the proximity of the current location of beneficiaries will be identified for purposes of acquisition for the settlement of farmers. Inclusive consultation will be held between PDAs, local government, the local land reform offices, the local farming associations, beneficiaries and landowners to obtain buy-in for the approach in the identified focus areas.

ABP will facilitate forward planning in areas such as resource mobilisation, service delivery and proactive land acquisition. ABP will ensure that land identification, acquisition and planning in terms of LARP targets conforms and is aligned to local and provincial planning processes.

The 5 LARP priorities will be implemented in all nine provinces in a phased approach targeting specific geographic areas based on focus areas identified by the Provincial Forums. Such geographic areas will be defined by each Provincial Forum, based on existing surveys of opportunities, agricultural comparative advantage, and the needs of the target populations to be served. Farm dwellers are a first priority, given the urgent need for them to fully realise their constitutional rights.

The agricultural or agri-business enterprises that are to be created and/or supported under LARP include farms and agri-businesses that can be held by individuals or groups, however, based on the evident difficulties experienced by groups in sustainable management of enterprises, preference will be given to structures where individual management decisions can be taken.

Each enterprise may address one or more of the five LARP deliverables. For instance, a specific farm may redistribute land, enable them to become entrepreneurs, lead to an increase in agricultural production and an increase in agricultural trade. An enterprise may accommodate beneficiaries of restitution, of labour tenant claims, redistribution, or from communal areas, or a combination thereof.

The existence of entrepreneurial skills for managing a farming or agribusiness is a prerequisite for the success and sustainability of LARP projects. Such skills must be identified and nurtured through LARP. New entrepreneurs with the requisite skills to make a success of a new farming or agribusiness enterprise beyond current farm dwellers in commercial areas also will be sought out for and will qualify for LARP projects.

The health, education and housing circumstances and social welfare of rural dwellers has an impact on their productivity and on rural stability. The LARP delivery paradigm relies on comprehensive service delivery at the local level and this will be planned and implemented jointly with partner departments such as Department of Housing, Department of Transport, Department of Social Development, Department of Local and Provincial Government, Department of Health the Department of Education

12 MONITORING AND EVALUATION

A monitoring and evaluation (M&E) system will be put in place at each of the project levels in consultation with the M&E units in DLA and DoA in order to ensure that useful, reliable, and timely feedback is provided to Government and other relevant stakeholders. In accordance with the principles of LARP its ultimate success will be measured against the long term sustainability and success of individual projects. The monitoring and evaluation system will be designed so as to assess the achievement of this goal.

The monitoring and evaluation system should also monitor risk areas, such as financial management by service providers and beneficiaries, the adequacy of support services, land price inflation, and environmental issues. Ex-post random audits, both physical and financial, will be systematically deployed.

The monitoring and evaluation system will assess project outcomes and processes using the following methods and tools:

- An adapted management information system (MIS), in order to collect and organise baseline and progress data on sub-projects', beneficiaries' and service providers' performance;
- Guidelines for performance information recording and management;
- Periodic qualitative monitoring of beneficiaries, in order to examine project processes and problems;
- Periodic farm and firm-level surveys from a sample of beneficiaries, in order to help establish enterprise-level benefits from the project; and
- Qualitative assessments of the impact of the project on people living in the focus areas.

To conclusively demonstrate the success or failure of the project, a scientifically rigorous impact evaluation will be undertaken. It is the impact evaluation which

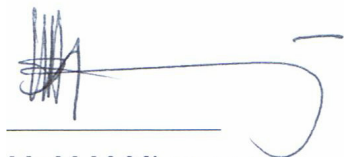
assesses whether the key outcome indicators are being achieved i.e. individual project success and sustainability.

It is imperative that the impact evaluation system is in place and operational *before* project activities start and in areas where the project will *not* be active. Consequently, during the project design phase, an appropriate service provider will be appointed to design and implement the impact evaluation.

13 SIGNATORIES

By signing this document, the Joint Project Sponsors concur with the content of this Concept Document as the project Scope of Work and authorise the appointed Project Manager to commence with the assigned functions mandated in this Concept Document.

Project Sponsors:



Mr M M Mbongwa

Director-General: Agriculture

Date: 25 February 2008



Mr T Gwanya

Acting Director-General: Land Affairs

Date: 25 FEBRUARY 2008

14 ANNEXURE A - FURTHER IMMEDIATE TASKS

A LARP project plan, with timelines, milestones and targets for the roll-out and implementation of this Concept Document is to be developed by the LARP National Project Manager for approval by ITCAL by 1 April 2008. This Project Plan should not be confused with the IAWP, and is a Work Breakdown Schedule of all activities required to implement this Concept Document.

Provincial Forums are to be set up by MECs with the assistance of the LARP National Project Manager.

Provincial Forums should develop joint provincial LARP implementation plans for 2008/09 in accordance with current resource allocations by 30 June 2008.

The LARP National Project Manager will coordinate the development of an Integrated Financial Annual Work Plan for 2008/09 based on current resource allocations and inputs from the Provincial Forums for submission to ITCAL by 30 June 2008.

ITCAL Standing Committees should develop detailed business plans for supporting and implementing each of the LARP pillars. These plans shall by design inform the development by The Land Reform SC and Agricultural 4x4 Joint Budget SC of priority policy options and business plans for MTEF funding of LARP from 2009/10. These options should be available for advocacy by Provinces and national departments in the 2009/10 budgeting cycle

The ITCAL Land Reform SC will develop norms and standards for the identification of beneficiaries and modalities for their acceptance in LARP settlement projects.

The ITCAL Land Reform SC will develop norms and standards for funding settlement projects supported by PDAs and Stakeholders.

The ITCA Agricultural Support SC will develop support norms and standards for project sustainability, viability, models, criteria for the allocation of CASP DORA allocations in terms of LARP and will further analyse and assess each of the CASP pillars for further attention and support.

The NAMC will provide advice to the Agricultural Support SC and Provincial Forums on opportunities regarding two or three appropriate core commodities for each province as well as market intelligence to stakeholders.

The DLA and DoA GITOs, bearing in mind the DLA Umhlaba Wethu project, will conclude a single virtual geo-referenced database of all SLAG, LRAD, commonage, PLAS, restitution, labour tenants rights conferred and ESTA transfers to enable the tracking of the achievement of the land transfers in terms of LARP and the 30% RDP target.

Baseline data and indicators will be developed by ITCAL with the assistance of the National Agricultural Marketing Council (NAMC).

An Induction/training programme is to be established for community development workers on land and agricultural development.

LARP needs to be consulted with sector partners once DoA, DLA and ITCAL have approved this Concept Document.

15 ANNEXURE B - INDICATIVE LIST OF ACTIVITIES

Priority 1: Redistribute 5 million hectares of white-owned agricultural land to 10 000 farm dwellers and new agricultural producers

The key activities:

- Create Agricultural Villages
- Develop report on agricultural development corridors
- Settle farm dwellers in agricultural holdings around rural towns
- Settle New Producers along major and secondary corridors of national and provincial commercial road and trade networks
- Provide land for livestock and arable farming purposes
- Provide transportation to and from work
- Provide health, education, sanitation, recreational and other social amenities and infrastructure
- Mobilise farm dwellers into farmers' organizations and cooperatives
- Establish a single virtual land reform database utilising AGIS to visually represent the location of all SLAG and LRAD projects, rural restitution transfers, the acquisition of labour tenant rights and ESTA transfers.
- Establish a register of all farm dwellers that engage in agricultural production in their own right
- Provide comprehensive agricultural support services to all registered producers
- Locate land reform project decision making at provincial level with synchronised granting of CASP funds at project planning stage within Provincial Grant Approval Committees
- Promote multiple income generation activities

Priority 2: Increase Black entrepreneurs in the agribusiness industry by 10%.

The key activities:

- Create Agricultural Villages
- Settle new producers in agricultural holdings around rural towns
- Settle agribusiness entrepreneurs along major and secondary corridors of national and provincial commercial road and trade networks
- Enhance existing and create altogether new secondary industries for livestock and agricultural products like leather, dairy, juices, canned products, hemp, biofuels, essential oils, medicinal herbs, handicrafts
- Enhance existing and create new agrilogistic businesses
- Provide transportation to and from work
- Provide health, education, sanitation, recreational and other social amenities and infrastructure
- Establish a register of all farm dwellers that engage in agribusiness activities
- Provide comprehensive agricultural support services to all registered producers
- Implement Livestock strategy and animal massification
- Create rural cottage industries
- Create rural and agro-tourist industries
- Promote multiple income generation activities

Priority 3: Provide comprehensive support to the target group

The key activities:

- Develop a national Post Settlement Strategy
- An Agricultural One-stop Shop to be implemented
- CASP pillars to be unpacked to identify post settlement requirements and schemes

- Invest in research and technology improvement for existing and new plant and livestock varieties appropriate for the targeted beneficiaries
- Invest in research for the improvement of existing and new biological and mechanical technology appropriate for the targeted beneficiaries
- Mobilise farm dwellers into agribusiness organizations and cooperatives
- Enhance existing and create new cooperative financial and marketing services
- Strengthen existing and establish new agricultural infrastructure like feeder roads, dams, dipping tanks, marketing depots, information centres
- Strengthen existing agricultural development institutes like Grootfontein, Glen College, Cedara etc
- Create new centres of excellence out of existing agricultural colleges
- Create a national agency for agricultural extension and advisory services
- Create a network of bio- and technology mechanisation centres across the country
- Promote mentorship networks between experienced and new farmers
- Contract major agribusiness companies, cooperatives and farmers to provide special technical, financial, marketing and land development services to targeted beneficiaries

And from the National CASP Assessment Panel:

- Alignment of mentorship offerings from DoA, PDAs and other mentoring bodies
- Agreement on components of a comprehensive business plan
- How to handle production inputs
- Managing the dependency syndrome
- National Farmer settlement support strategy and models
- Norms for debt/equity in CASP projects
- Guidelines for improved project/business planning and management
- CASP criteria for next year

- Improve the image of settlement support given by profiling and communicating successful projects
- Guidelines for selecting for beneficiaries/ new emerging (commercial) farmers.
- Prerequisite basic entrepreneurial skills required to farm
- Branding of LARP
- CASP as a service to/subset of LARP
- Allocation of a portion of CASP for project planning
- Logical relationship of equitable share to CASP pillars
- Developing a common understanding on business plans and common terminology e.g. food security/HFP, baseline
- Revisit LARP cost drivers
- Funding for support for state land and PLAS
- Advertising of CASP grant
- Guidelines for collaboration in dealing with sector partners (e.g. NWGA shearing sheds)
- How to deal with possible additional CASP MTEF allocations
- Synchronising CASP and LRAD grants
- Simplifying the reporting system (monthly financial, non- financial, EPWP, Treasury, premier, national)

Priority 4: LETSEMA-ILIMA Campaign: Increase agricultural production by 10-15%

The key activities:

- Invest in the improvement of the quality of the livestock in communal areas such as the Nguni cattle, goats and chicken for Africa
- Increase family and community production for household food and nutritional security
- Develop agricultural development corridors
- Increase the % of land that is put to productive use

- Activate fallow land in former homelands
- Rehabilitate to productive use degraded agricultural land
- Rehabilitate and expand the existing irrigation schemes
- Establish new irrigation schemes
- Establish contract farming for high value and feedstock products for biofuels, wine, essential oils, hemp, medicines, leather, juices, canning, dairy etc

Priority 5: Increase agricultural trade by 10-15%

The key activities:

- Mobilise new and existing black agricultural exporters into existing and new export bodies
- Contract major farmers and agribusiness companies to provide facilities and services to increase trade access to foreign markets
- Invest in trade promotion of existing and new products for the targeted beneficiaries in existing and new foreign markets
- Increase the number and spread of agricultural trade personnel and activities in foreign missions of major agricultural foreign markets
- Increase agricultural imports from African countries to boost the development of the agribusiness industry
- Allocate R9 million from 2008 CASP funds to the NAMC to develop an export plan identifying 2 products per province that will support LARP