

Achieving sustainable land reform through partnerships

In order to drive conversations on land reform in South Africa, the Vumelana Advisory Fund (Vumelana) recently hosted the second of a series of roundtable discussions which focused on partnerships for land reform as well as the role of the private sector and other stakeholders in fulfilling the targets of the National Development Plan (NDP) in the land reform programme.

Peter Setou, chief executive (CE) of Vumelana, a non-profit organisation, said, "These discussions are not just another policy debate about what is wrong; we are bringing together industry leaders to provide practical insights that will help in the implementation of the policies that have already been put in place. We have the right plans in place, we have the right policies in place, but not all stakeholders have come to the party to ensure that these policies and plans are taken to the ground to achieve the desired results."



From left: Annelize Crosby (Policy Advisor on land reform, Agri SA), Anwhar Madhanpall (General Manager, South African Sugar Association), Hezekiel Nkosi (Chairman, Mbletele Communal Property Association), Mazwi Mkhulisi (Programmes Manager, Vumelana Advisory Fund) and Nomfundo Ntloko-Gobodo (Chief Land Claims Commissioner, Commission on Restitution of Land Rights)

Land reform within the context of the NDP

Land reform within the context of the NDP aims to ensure that agricultural development and subsequent inclusive rural economic growth are achieved through the land reform process and that rural areas are integrated into the mainstream economy through agriculture.

Furthermore, the NDP acknowledges the important role of various models of land acquisition and redistribution to resolve the slow pace of land reform and the lack of successful implementation of policy at local level.

The NDP vision is that by 2030 we have integrated and included rural areas where residents are economically active and have food security, access to basic services, healthcare, and quality education. To achieve this, we require leadership in land reform, communal tenure security, and infrastructure and financial and technical support to farmers.

An integrated and inclusive approach to partnerships

Setou highlights that to achieve an integrated and inclusive rural economy, an integrated and inclusive approach to partnerships involving investors and operators with access to financial and other markets is required. Private capital and new land participants must be brought into the process to enable the mobilisation of resources and ensure sustainable

benefits for land reform beneficiaries. "With under 13 years to go until 2030, a more aggressive approach to partnerships must be taken to help the government to effectively implement current land reform policies, all parties must come on board - private sector, government and non-governmental organisations alike."

According to the NDP, agriculture has the potential to expand and create an additional one million jobs. While some progress has been made in the land reform programme, research findings show that a lot more needs to be done. Industry research shows that to date only eight million hectares of arable land have been transferred to black people, which is only 9.8% of the 82 million hectares of arable land in South Africa. It also shows that there has also been a 19% decline in households involved in agriculture, from 2.9 million households in 2011 to 2.3 million in 2016.

Mazwi Mkhulisi, programmes manager of Vumelana, said, "Community private partnerships (CPPs) present a plausible solution to addressing some of the current challenges in land reform. Community private partnerships are those that are established between private parties and communities that acquire access to land under the land reform programme. Typically, the communities bring their land and labour and the private partner brings capital and skills to the partnership. The role of collaborations with industry players cannot be underestimated."

CPPs differ from management agreements insofar as the partners share the risks and the rewards. They also differ from typical joint ventures that demand 50:50 shareholding and risk-taking. CPPs are based on an assumption that the partners are unlikely to be equally capable of carrying risk and that the balance of risks, resources and rewards must be negotiated in the context of the particular circumstances of each case. CPP contracts are structured to ensure that the partners are able to meet their obligations and exercise their rights in a manner that supports the profitable operation of the business venture they enter into.

Mkhulisi argues that the adoption of the CPP programme provides an opportunity for the exploration of a different approach to land reform within the framework and in line with the recommendations of the NDP, to work towards achieving the targets that have been set out in the NDP.

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Financing in land reform is critical

According to Annelize Crosby, Agri SA policy advisor on land reform, partnerships are probably the only way we can achieve sustainable land reform in this country because neither the government nor the private sector can do it on their own. "Financing, social facilitation, and management of expectations are some of the key elements in the partnership relationship."

"The biggest role we can play in making land reform sustainable is ensuring that beneficiaries are part of the full value chain," said Crosby. She highlighted that financing in land reform is critical, and remains a big challenge, as it is one of the

things that still have not been sorted out. One way to address that would be through a special purpose vehicle instrument to help facilitate financing and development. Often some kind of a referee is necessary for the land reform relationship

The issue of trust

Chief Land Claims Commissioner Nomfundo Ntloko-Gobodo of the Commission on Restitution of Land Rights said, “One of the lessons that continue to come out in land reform relationships is the issue of trust. In the entire relationship cycle, communities must trust the government and the private partners with whom they form relationships, and that’s the aspect that takes a longer time than anything else.

“Previously we had challenges with private sector partners who partnered with communities with other agendas, for a quick fix and personal benefits and thought the process would be a mere hit and run. These people complicated the development dynamics.

“We are at a stage where we are seeking partners who understand the trust value that is needed by communities. We want to create sustainable partnerships with partners who will provide expertise that will take the land reform programme to the next level.”

Forming sustainable, long term relationships

Ntloko-Gobodo said, “Land reform is the responsibility of all of us as South Africans, therefore each sector has to identify its niche and expertise and bring those skills to the table for sustainability of all land reform projects to contribute towards the meaningful transformation of our country.

“Land reform is a heart matter and not a head matter because a lot has happened in this country and we need to redress, in the right manner, with the right partners who have the right attitude and agenda. If we get that right, we cannot go wrong.

“We want partners who will be in the relationship for the long run because land reform is not going to be a project that ends in 2030 or just a quick fix. It is going to be around for a very long time and will continue to affect the next generation into the future,” said Gobodo.

Evolving and adapting different models to meet the needs of the community

Speaking at the session, Anwhar Madhanpall of the South African Sugar Association highlighted that the South African sugar industry is the largest agricultural employer, representing direct employment of approximately 85,000 jobs, and indirect employment of an additional 350,000 jobs. This represents 11% of the total agricultural workforce in the country. Furthermore, approximately one million people, more than 2% of South Africa’s population, depend on the sugar industry for a living.

He noted that SASA has a number of projects from which learnings on partnerships can be drawn, including governance models to help build the capacity of leadership within CPAs to equip them with the necessary knowledge they need to run sustainable CPAs. “In order to achieve transformation in land reform, we have to consistently evolve and adapt different models to the needs of the community at the time, in order to adequately address their needs. Everything that we do in this space must be in the best interest of the community,” said Madhanpall.

“*Considerations that explore and enhance what has worked to date within land reform have the potential to assist in ensuring a successful and sustainable land reform programme for the future.*”

Information sharing and a hands-on-approach necessary

As one of the CPA’s that have benefitted from Vumelana’s support, Hezekiel Nkosi of the Moletele Communal Property

Association shared some of his experiences as a beneficiary of the land reform programme. He highlighted that while the Moletele CPA is doing well in its partnership relationships, continuous learning about the industry and business of agriculture; as well as taking a hands-on approach in the process, is necessary to sustain the partnership, with trust being the key driver of the success of the relationship. He highlighted that “there needs to be a lot of information sharing with the community in order to create an understanding of what land ownership is about; this way, we will also effectively manage perceptions.”

“It is not only about more policies that we need to make a difference, we have to vigorously implement the current policies. What we need are practical and implementable solutions where all relevant parties are brought together to balance out the imbalances of the past. While the government can only do so much, it is time that the private sector really comes to the party too. Considerations that explore and enhance what has worked to date within land reform have the potential to assist in ensuring a successful and sustainable land reform programme for the future,” he said in closing.

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