

Land reform beneficiaries, use lockdown to put your CPA in order

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The outbreak of the coronavirus (Covid-19) and the implementation of the nationwide lockdown may have deferred the land reform programme as the government focuses its attention on stepping up efforts to contain the spread of the pandemic. However, this should not be a lost opportunity for agrarian reform. The beneficiaries of the land reform programme should use the opportunity to get their Communal Property Associations (CPA's) in order.



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One of the biggest challenges with beneficiaries of the land reform programme, and possibly a contributor to the high failure rate of the land reform programme, is the low levels of compliance with basic requirements for good governance by CPAs who have benefited from land reform.

Tighten governance systems

There is a need to tighten governance systems and other areas that need attention to ensure that CPAs (the land and property holding entity) is compliant with regulatory requirements and is a conducive structure to attract investors.

In 1996, the government made legal provision for the creation of CPAs, the landholding and juristic institutions that acquire, hold and manage the property on behalf of the members of the beneficiary communities.

However, many CPAs are dysfunctional and inefficient, which has ripple implications for the use and management of the land which they hold on behalf of their members. According to the Department of Rural Development and Land Reform annual report on CPAs for 2015–2016, only 208 of the registered 1,490 were compliant with the CPA Act, the body of legislation which governs these entities.

Corruption and fraud

A cavalier application of corporate governance and the requirements of the CPA Act has resulted in increasing incidents of malfeasance, corruption and fraud, which is detrimental to beneficiary communities. The lack of accountable structures within many CPAs has created room for fraud and corruption, and this is further exacerbated by the fact that CPAs are

often too operational, thus finding themselves playing the dual role of players and referees.

It is, therefore, critical that CPAs should use this time to review their operations, tighten their internal controls, plug performance gaps and adherence with corporate governance to foil any fraud or corruption. Keeping communication channels open among critical stakeholders, namely farm operations, management teams and the leadership, is vital during the lockdown. This can be done through a number of digital platforms such as creating WhatsApp groups, via SMS, conducting online meetings or by regular and scheduled tele-conferencing.



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Post-lockdown meetings

The CPA leadership can also work on a protocols document that will outline how meetings will be conducted post the Covid-19 lockdown. The World Health Organisation (WHO), the Department of Health and the medical fraternity have stipulated that regular handwashing with soap, using alcohol-based sanitisers and maintaining social distancing is crucial in curbing the spread of coronavirus. With these considerations in mind, CPAs must ensure the availability of handwashing facilities at meetings post the lockdown. In addition, they should also agree on how to ensure that there is a quorum when community resolutions are taken, considering the current restrictions on public gatherings, and the implications such decisions have on inclusivity and civic participation.

Members of the beneficiary communities have an essential role to play to hold their elected representatives – executive committee of the CPA – accountable. However, community members can do this more effectively if they are educated about the role and purpose of a CPA, so that they can elect the right calibre of leaders that will be able to play an oversight role. The election of this leadership must be fair and in compliance with land reform legislation. The CPA leadership must consist of ethical members with integrity and the demographic of the leadership should include youth and women to ensure a more diverse representation and richer inputs.

CPA Act required strict compliance

As a starting point, it is important for the CPA to comply with the CPA Act of 1996, as this is the key piece of legislation that guides how the CPA should conduct their affairs. Strict compliance to this piece of legislation is not optional.

The Act clearly stipulates that members of the CPA must be afforded an opportunity to participate fairly in the affairs of the CPA. This means that there must be policies in place and controls to enable this. For example, the Constitution of the CPA must outline how meetings can be conducted and how communities must be engaged before decisions that impact on their livelihood are made. It is, therefore, imperative that the CPAs should ensure that its founding documents, such as the

constitution and policies, are kept up to date and are aligned with the CPA Act.

To ensure accountability and transparency, the CPA committee is also required to submit financial records for independent verification.



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Collective responsibility

In everything that the CPAs do, they should always be mindful of their mandate, which is to acquire, hold and manage property on behalf of their members. This is a collective responsibility vested upon this entity. In pursuance of this mission, the CPAs should continuously evaluate their performance based on the following criteria:

- What does the CPA want to achieve?
- How does it want to serve and create value for its community in a way that will ensure that future generations benefit?
- Do the structures in place support the CPA to execute its duties? In other words, is the CPA an oversight body or is it operational?
- Can the CPA see itself serving future generations of the community?
- How sustainable is it? Are monies being used for the good of the community or is there transparency in the financial affairs of the CPA?
- Is the leadership credible, and do they act in an open manner?
- Do the current projects in place create value and benefit the community? For example, are there projects that afford the youth entrepreneurial or job opportunities or even bursaries?

Credible, ethical leadership

This robust introspection can only be made by an organisation that has credible and ethical leadership that has the best interests of the community at heart. This is the leadership that focuses on these critical areas, namely accountability to community members, transparency and good financial management, ethical sustainability and effective risk management. The adoption of good corporate governance practices by CPAs is not a nice to have, but it is practical steps that are needed to ensure that these entities can improve their legitimacy, enhance efficiencies and ensure long-term sustainability; and in turn, can attract investors to their CPAs.

Good governance places the onus on the CPA to put measures in place to curb fraud and corruption and ensure the sustainability of operations. With proper governance measures that are implemented and respected, a CPA can ensure that it is effective and providing value and upliftment of the community that it serves. Equally so, governance protects sustainability. Sustainability ensures that future generations benefit from the land. Therefore, the success of a CPA should be measured on how long it can exist as a force for good that can benefit the community which it serves.

ABOUT THE AUTHOR

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