

UNIVERSITY OF KWAZULU-NATAL

Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

By

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DECLARATION

I Jim Matsho declare that

- (i) The research reported in this dissertation, except where otherwise indicated, is my original research.
- (ii) This dissertation has not been submitted for any degree or examination at any other university.
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Signature: 

ABSTRACT

This research focuses on KwaZulu-Natal case studies of land reform projects that serve as contributors to local economic development (LED). Key stakeholders and role players on LED matters within the KwaZulu-Natal province serve as respondents. The study seeks to answer critical questions regarding the success and viability of land reform projects.

“Rural development is one of the the signature projects that swept the African National Congress (ANC) to power. It is supposed to distinguish the new administration from all that has gone before by having a dedicated ministry specifically to look after the forgotten countryside”, (Mabanga 2010, p. 36).

For communities operating registered companies, some of the major challenges, amongst others, include a lack of farm management skills, business skills, financial skills and governance skills (including corporate governance). Leadership challenges are experienced between community members that ultimately may lead to the collapse of projects. There are also concerns regarding state support for post settlement. This affects the operation and capitalization of the projects and is required to kick-start projects after land transfers.

Other challenges include skills shortage amongst managers and post settlement support for specific industries to ease transfer of skills to beneficiaries. The majority of the post-settlement support from the National Department of Rural Development and Land Reform has no, or limited, skills in specific industries like forestry, sugarcane, crop farming and animal farming. Consequently there is a shortage of proper advice to the community managers from inception and the incumbent official then still has to learn the industry operating systems. Ultimately all the parties rely heavily on consultants to provide assistance to newly emerging farmers or business entrepreneurs within the communities.

The transfer of developmental grants is a major headache currently facing the majority of land beneficiaries. The department of rural development still owes communities post-settlement grants or development grants back-dated to the 2008/09 financial period. The objective of this study was to arrive at some guidelines and recommendations that will contribute to the success of land reform projects and thereby contribute to LED within KwaZulu-Natal province.

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CHAPTER 1: INTRODUCTION

1.1. Introduction and Background

The South African economy has gone through different stages of growth characterized by socio-political and economic challenges from pre-democracy to the present; referred to as a developmental state. The economy was not immune to the 2008 global economic crisis; the impact is still being felt as the economy has not fully recovered. The projected economic growth for 2011 was estimated to be around 2.5-3.0%.

The South African economy was in recession between 1989 and 1992, largely as a result of worldwide economic conditions and the long-term effects of apartheid. From 1984 to 1993, short-term capital outflows were substantial, and the country was a net capital exporter, mainly as a result of sanctions and disinvestment. The unilateral declaration by the South African Reserve Bank (SARB) of a debt moratorium in 1985, in response to a looming external debt crisis, worsened the situation. After the 1994 democratic election, a turnaround in capital flows occurred. This resulted in an upswing in economic activity, and positive economic growth rates (albeit relatively low) were recorded in subsequent years (Rousseau, Meintjes and Barnard, 2002).

The success of the present government is heavily dependent on achieving prioritized goals such as rural development. The economy of rural areas needs more attention than ever before to ensure that all Local Economic Development (LED) projects produce results. In this regard land reform projects are a critical challenge the government is facing. New beneficiaries need to succeed and maintain levels of production on farms without a negative impact on productivity.

1.2. Problem Statement

“Rural development is one of the signature projects that swept the African National Congress (ANC) to power. It is supposed to distinguish the new administration from all that has gone before by having a dedicated ministry specifically to look after the forgotten countryside”, (Mabanga, 2010).

The sustainability of rural community projects is the major challenge confronting the developmental aspirations of the government and private sector. It is evident in most cases that community projects are not sustainable.

Some of the major challenges, amongst others, include the lack of farm management skills and the lack of business, financial and government skills (including corporate governance) for communities operating using registered companies. Leadership challenges are experienced amongst community members that ultimately may lead to the collapse of projects. There are also concerns with regard to state support for post- settlement which affects the operation and capitalization of the projects and is required to kick-start projects after land transfers.

Other challenges include skills shortage amongst managers and post-settlement support for specific industries for ease of transfer of skills to beneficiaries. The majority of the post- settlement support from the National Department of Rural Development and Land Reform has zero or limited skills in specific industries like forestry, sugarcane, crop farming and animal farming. Consequently, there is a shortage of proper advice to the community managers from inception and the incumbent official then still has to learn the industry operating systems. Ultimately, all the parties rely heavily on consultants to provide assistance to newly emerging farmers or business entrepreneurs within the communities.

The transfer of developmental grants is a major headache currently facing the majority of land beneficiaries. The Department of Rural Development still owes communities post-settlement grants or development grants back-dated to the 2008/09 financial period. Now communities are expected to perform without the financial resources which impact on asset acquisition. Agricultural equipment is ultimately more expensive without a good bank balance and assets (NB: land transferred cannot be used as collateral in terms of the Land Reform Act).

1.3. Research Questions

Some of the specific questions below were used in an attempt to answer the research question(s):

- 1) What are the key areas that make land reform projects important to the community?
- 2) What are the experiences with regard to accessing funding and which institutions provide funding when land reform projects are started?
- 3) From the date of inception what factors may potentially contribute to successful land reform projects?
- 4) In what ways may land reform projects be expected to contribute to capacity building of community members and to contribute to Local Economic Development initiatives?
- 5) Do land reform projects contribute to Local Municipality Integrated Development Programs?
- 6) In what ways may land reform projects be expected to contribute to the KwaZulu-Natal Spatial and Economic Development Strategy and Industrial Development Strategy?
- 7) How are youth, disabled and women's empowerment issues addressed in the design of land reform projects and how are these issues addressed in the implementation of land reform projects?

1.4. Aim of the Study

The objective of this study is to arrive at some guidelines and recommendations that will contribute to the success of land reform projects and thereby contribute to LED within the KwaZulu-Natal province. Accordingly, the study aims at a comparative assessment of projects of different natures to facilitate and identify key variables for promoting the viability of land reform projects.

In light of these analyses, the study also aims to look at determining future best case scenarios to make the land reform transition easier for new land beneficiaries and operators. It is anticipated that this will impact positively on maintaining or even improving productivity. The research is intended to identify key problematic issues across the projects analysed, and to identify ways in which individual projects may survive and sustain their position in a challenging business environment.

1.5. The Importance of the Study

This research analyses the land reform projects as case studies and compares them project-by-project in terms of their contribution to LED. This, it is hoped, will serve as a guide to future farm managers and land beneficiaries. Furthermore, it is hoped that this will assist in assessing the performance of projects.

This research should provide economists, business managers, academics and policy decision makers with valuable information on which sound business decisions can be made and further research can be undertaken.

1.6. Hypotheses

The research project hypothesis is that all land reform projects are failures and that this affects the country's agricultural outputs which ultimately results in higher food prices that affect the poor more in terms of affordability.

1.7. Literature Review

There are many land reform models and theories which have been developed over a period of time. There is little research conducted on specific industries, for example forestry, as most research covers a wide variety of areas including crop farming (e.g. sugarcane). There is limited research in forestry-related land reform projects.

Initial project case studies in forestry were based on community forestry (i.e. woodlot schemes) that were started by Mondi and Sappi in KwaZulu-Natal, namely Khulanathi Woodlot and Project Grow respectively. A limited number of small forestry growers had plantations of more than 10 hectares, but mostly they had less than 10 hectares. Their numbers were sufficient to sustain supply to the pulp and chipping plants over decades since their inception.

According to Mack, “The growth of future plantation forestry will take place mainly in the rural areas of Southern Africa, an area of operation that is not well understood and is poorly researched. Corporate forestry companies are well versed in technical forestry operations on an economy of scale basis, and on large land holdings however, they have limited rural development expertise and experience. Some expertise has been gained and inroads have been made in the area of community based forest development, through the likes of the Khulanathi project. They have been successful in terms of economic development and this is borne out by the high number of small scale outgrowers in the industry. Since 1998 there has been little expansion, exacerbated by a plethora of new legislation requiring licensing through a number of government departments. The process is expensive, bureaucratic and lengthy” (Mack, 2005).

“In South Africa, the need to reform commercial agriculture has been complicated, and even overshadowed by the political imperative of land reform. Despite government’s efforts to transfer 30% of white-owned land to black farmers by 2014, only about 5% has been redistributed. Land reform itself can hardly be blamed for undermining SA’s food security, given the small amount of white-owned commercial land that has been redistributed. Government’s rethink aims to better combine land reform with the production of food. In the department’s three year strategic plan published early in 2009, rural development and land reform minister Gugile Nkwinti points out that in the majority of countries that have successfully carried out land reform to purposively rescue their citizens from socioeconomic hardship, just about all land reform beneficiaries obtained ownership of individual family farms” (Sherry, Paton and Planting, 2009).

Jordaan and Jooste (2003) indicate that the successful execution of the Land Reform programme in South Africa relies heavily on integrated and coordinated efforts from all role-players to deliver efficient support programmes for newly settled farmers. This can only be achieved by means of visionary actions directed by strong leadership.

“Research, extension and the new national and provincial directorates of farmer settlement must ensure that the appropriate agricultural support services are available that will result in agricultural

development. The land reform process and agricultural development will only be successful if the goals and objectives are realistic” (Hart, 2003).

According to Apantaku, Oloruntoba and Fakoya (2003), “The willingness of farmers to participate in their own agricultural problems’ identification and prioritization and to identify those constraints which prevent involvement of farmers in problems need identification and prioritization. Developmental policies should be implemented in a bottom-up approach rather than a purely top-down approach so that farmers’ opinions would be known”.

According to Mmbengwa, Gundidza, Groenewald and Van Schalkwyk (2009), “the Department of Agriculture, Forestry and Fishery (DAFF) and Rural Development and Land Affairs (DRDLA), through land acquisition, restitution and other agrarian development systems, initiate and support agriculturally based SMMEs with the objective of achieving sustainable livelihoods for the poor and commonages”.

Training in entrepreneurship and provision of other facilities could give poor owners of micro and small enterprises (MSEs) opportunities to grow their businesses and get themselves and others out of poverty. Though they lack the finance and other endowments required to grow their businesses, the experience has given MSE operators some ideas about the kind of assistance they may require in this regard and even make it possible for them to provide employment for others – finance, government support, infrastructure and premises, training, etc. (Mensah and Benedict, 2010).

“Population predicts food crop production in male-headed households. In addition, contrary to some research findings agricultural output remains low as a result of access to land, labour, farm equipment and information in female headed households”, (Codjoe, 2010).

According to Muna (2010), “Despite a deluge of government projects to broaden access to financial services, low-income earners outside cities and towns remain a neglected market segment. The financial services sectors’ inability to make financial products available in rural areas means that the

majority of people in Southern Africa are not catered for”, says Prof. Gerhard Coetzee. Commercial banks do offer services to rural areas, but they reach commercial agriculture rather than small-scale farming, forcing them to rely on the informal sector, including stokvels and burial societies”.

“South Africa needs to drastically and urgently adapt its farming practices to ensure food security for current and future generations, says a new World Wildlife Fund (WWF) report. Overwhelming evidence of soil and water degradation, dwindling farmlands, threatened ecosystems and economically and ecologically unsustainable agricultural methods are threatening farm production. The situation will be worsened by climate change, which is shrinking South Africa’s arable land and increasing unpredictability for farmers. This will threaten jobs, increase poverty and play havoc with attempts at land reform” (Muna, 2010).

1.8. Research Methodology

1.8.1. Sampling

According to Nel, Radel and Loubser (1994), a **population** is the total number of persons or institutions, which are potential sources of the required data. The total population of the study will be all land reform projects in KwaZulu-Natal since the implementation of the Land Act. There are approximately 50 farms that have been transferred to communities in KwaZulu-Natal through state land programmes.

Of this total population of 50 farms, a survey sample of 5 commercial community land reform projects was selected. The first two projects are those that the researcher assists with to make their business operation viable and sustainable. These represent convenience samples. The other three were randomly selected from the list, but with the restriction that only projects North of the Tugela River were selected.

1.8.2. Methods

Qualitative research methods were used to collect information from farm operation managers, supervisors, board of director members and community trustee members. Questionnaires were supplemented with interviews to verify information. Part 1 of the questionnaire was completed by the farm operations managers. Part 2 was used during the semi-structured interviews with a sample from each designated group. A total of 30 respondents per project were initially targeted. See Annexure C for introductory letters (i.e. both English and iSiZulu) and Annexure D questionnaires (i.e. both English and iSiZulu).

1.8.3. Analysis of data

The following methods of data analysis and other relevant statistical methods were used:

- **Reliability analysis** indicates the extent to which the measure is without bias (error free) and hence offers consistent measurement across time and across the various items in the instrument (Sekaran, 1990; Lill and Visser, 1998).

The issue of authenticity of the cause and effect relationship (internal validity), and the generalisability to the external environment (external validity) is also important, and hence the use of validity methods (Barker, 1983; Bausell, 1986). To validate the data collected during the research process, two types of validity methods were used:

- **Construct validity analysis** – concerned with the extent to which a particular measure relates to other measures consistent with a theoretically derived hypothesis concerning the concept (Alreck, 1995; Haskins and Kendrick, 1991).
- **Content validity analysis** – concerned with the extent to which an empirical measurement reflects a specific domain of content.

1.9. Limitation of the Study

The research project's limitations include, among others:

- Not all respondents were willing to participate, worried that the researcher is an investigator.

- Operations managers were not all available for interviews due to operational reasons.
- The length of the interview time was not adequate to fully probe all areas of interest with the respondents.

1.10. Delimitations of the Study

The research project's delimitations include, among others:

- Only five projects were selected for comparative analysis.
- Only projects North of the Tugela River were considered due to time constraints and limited resources available to cover the entire province.
- Only land reform projects within forestry, i.e. timber industry were evaluated.

1.11. Organisation of the Study

The background to the research is outlined in Chapter 1, and an overview of the research methodology used is highlighted.

Chapter 2 deals with the role of the South African agricultural industry and its contribution to the economy. The agricultural sector output trends are analysed and its impact on job creation, sustainability and GDP contribution is reviewed. This chapter also describes the industry bodies and other role players that make up the industry.

Chapter 3 is a review of land reform projects in Africa with successes and challenges in the South African context discussed. The chapter assesses the global trends in agricultural output and the impact of instability in agricultural producing countries on overall global agricultural productivity.

Chapter 4 provides a detailed description of research methods employed to accomplish the study objectives. A multi-method research approach was used due to the variety of information needed to

address the research questions and hypothesis. The collection of data was carried out using questionnaire and personal interview methods.

Chapter 5 presents the survey results and data, and these are then analysed in detail along with a full discussion of the research findings. Chapter 6 provides a brief summary of the research findings.

The last chapter, Chapter 7, provides some discussion and recommendations to improve the performance of land reform projects. The future prospects of the industry and the survival of land reform projects in a challenging trading environment is discussed.

CHAPTER 2: SOUTH AFRICAN AGRICULTURE INDUSTRY

2.1. A Background to the South African Economy

South Africa is situated at the southern tip of the African continent and covers an area of 1,219,090 square kilometres – which is almost equal in size to Germany, France and Italy combined, and an eighth of the size of the United States of America (USA). It shares boundaries with Namibia, Botswana, Zimbabwe, Swaziland and Mozambique, and completely encircles the small mountain kingdom of Lesotho. Its western, southern and eastern boundaries are the Atlantic and Indian Oceans (GEDA, 2010).

Topographically, the country is characterised by a large inland plateau that is separated from the neighbouring lowlands by the Great Escarpment – which varies in altitude from about 1 500m in the southwest to 3 482m above sea level in the Drakensberg mountains of KwaZulu-Natal Province. The topography ranges from lush valleys to semi-desert (GEDA, 2010). The figure below depicts South Africa on the southern part of the African continent.

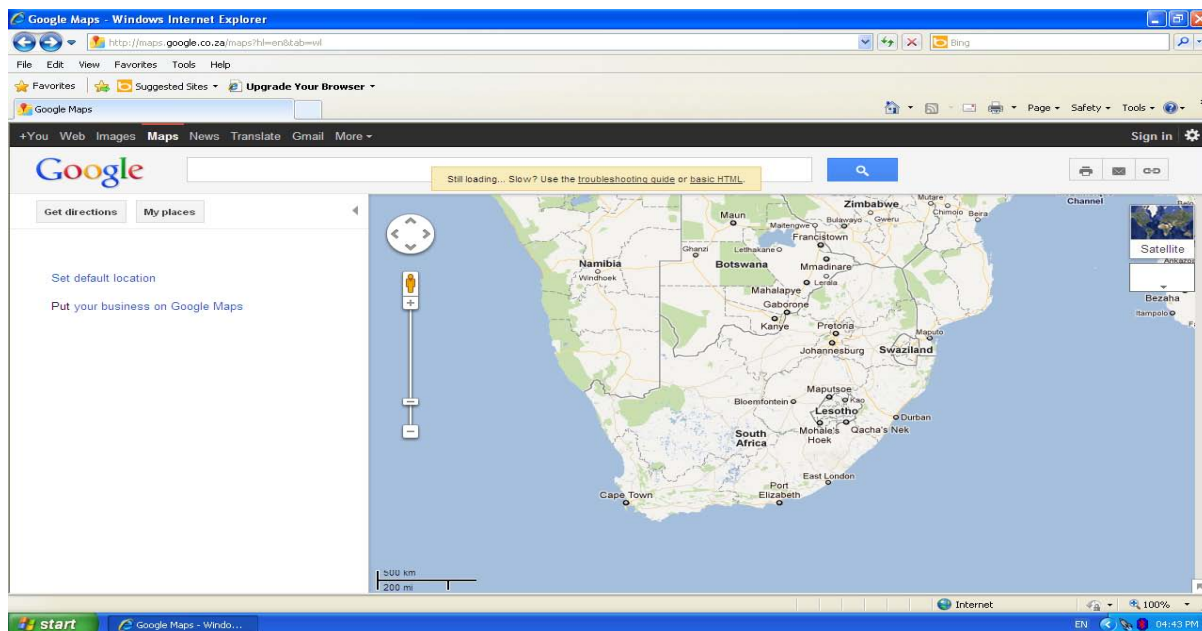


Figure 2.1: South Africa within SADC

Source: Google (2011)

The South African economy has undergone rapid structural change during the past decade. Much of this change resulted from the dramatic change in the South African political environment which brought about the end of the political and economic isolation of the early 1990s. This also brought about an automatic increase in the exposure of local producers to the harsh competitive forces in the global economy, a far cry from the highly protected and insulated economy of the 1980s. This exposure is highlighted by the government's steady tariff reductions in line with schedules agreed within the World Trade Organisation (WTO).

The nature of the economy is a phrase used to describe the state of development (e.g. emerging markets), the main sectors by size (% of GDP) and, maybe, the main export sectors. On this basis, South Africa's economy is of a medium size by world standards, but enormous by African standards. It is by far the best developed economy in Africa as well as the largest. In terms of income per capita, South Africa ranks fifth in Africa behind two OPEC states, Libya and Gabon, and two Indian Ocean islands, Reunion and Seychelles. It has by far the highest income per capita of non-oil producing continental African countries and outpaces some oil producers such as Nigeria and Angola (du Toit, 2002).

The South African economy was in recession between 1989 and 1992, largely as a result of worldwide economic conditions and the long-term effects of apartheid. From 1984 to 1993, short-term capital outflows were substantial, and the country was a net capital exporter, mainly as a result of sanctions and disinvestment. The unilateral declaration by the South African Reserve Bank (SARB) of a debt moratorium in 1985, in response to a looming external debt crisis, worsened the situation. After the 1994 democratic election, a turnaround in capital flows occurred. This resulted in an upswing in economic activity, and positive economic growth rates, albeit relatively low, were recorded in the subsequent years (Rousseau, Meintjes and Barnard, 2002).

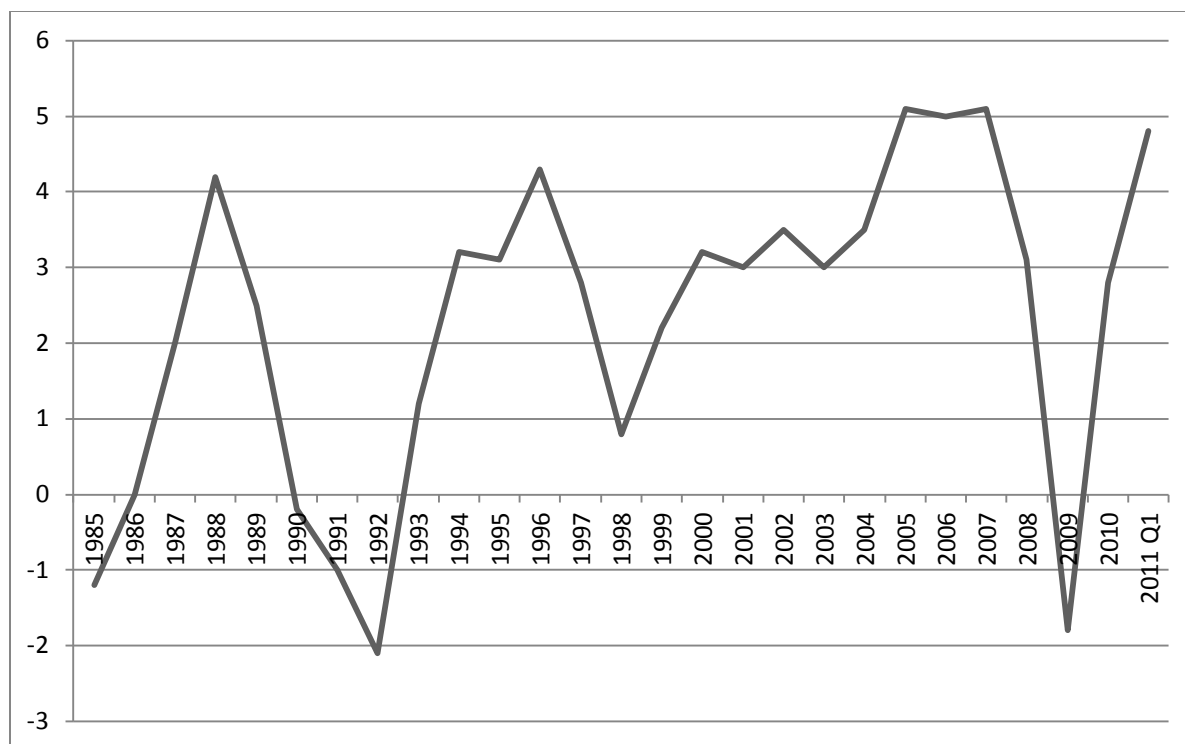


Figure 2.2 : Growth Rate of GDP: 1985 – 2011

Source: Rousseau, Meintjes and Barnard (2002) and SARB Bulletins (2004, 2006, 2009, 2010, 2011)

South Africa is the powerhouse of economic activity in the Southern African Development Community (SADC) region, contributing 72% to the Gross Regional Product (GRP). The rate of economic growth in South Africa as well as fluctuations in economic activity has a substantial impact on the rest of the region due to both forward and backward trade linkages. Not only is South Africa the main supplier of manufactured goods and services to the rest of the region, but also provides employment opportunities to a large proportion of SADC's labour force. The South African economy is very much in contrast to the rest of the member countries, well diversified, with a developed manufacturing sector and, for this reason, much less vulnerable to exogenous factors (Rousseau, *et al.*, 2002).

Figure 2.2 above shows the economic growth trends since 1985. The country experienced positive growth trends in the late 1990s to the mid-2000s. The economy started to decline in 2008 to current levels; even negative levels were reached (-1.8) in 2009.

The South African economy benefited during 2010 from the notable pick-up in global economic activity as well as the successful hosting of the 2010 FIFA World Cup™ tournament. Regardless of these developments, the pace of domestic economic recovery continued to be held back by various structural deficiencies. The economic growth rate, on average, amounted to roughly 5 per cent per annum in the three and-a-half year period prior to the start of the recession in the fourth quarter of 2008 (SARB, 2011).

During the three-quarter recession in the domestic economy, activity contracted at an annualised rate of 3,5 per cent, but subsequently recovered to post an average growth rate of 3,4 per cent from the third quarter of 2009 to the first quarter of 2011. The real output of the agricultural sector, which increased markedly at a rate of 16,1 per cent in 2008, contracted by 3 per cent in 2009 before increasing by 0,9 per cent in 2010. This turnaround could mainly be ascribed to increased field crop and horticultural production over the period (SARB, 2011).

More recently, the Free Trade Agreement with the European Union area and the Africa Growth and Opportunity Act (AGOA) of the USA have served to further reduce the artificial trade boundaries between South Africa and both the European Union and the USA, while a free trade agreement with the USA, to name but one, is being negotiated.

The South African economic growth rate, at constant prices of 2005, has been declining in recent years to levels below 6% annual rates as per the table below (table 2.1). The country experienced a negative growth rate in 2009 after the global financial crisis which emanated from the United States of America (USA). Agriculture, forestry and fishing are no exception to the recent declines, except in 2008 when the forestry industry experienced good growth.

Table 2.1: Economic growth rate in terms of Gross Domestic Product per industry

| South Africa | | | | | | | | |
|--|------|------|------|------|------|------|-------|------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Agriculture, forestry and fishing | 0.7 | 0.9 | 2.8 | -5.5 | 2.7 | 16.1 | -3.0 | 0.9 |
| Mining and quarrying | 3.4 | 1.5 | 1.0 | -0.6 | 0.0 | -5.6 | -4.2 | 5.8 |
| Manufacturing | -1.5 | 4.9 | 6.2 | 6.4 | 5.2 | 2.6 | -10.4 | 5.0 |
| Electricity and water | 3.0 | 6.8 | 5.3 | 3.4 | 3.4 | -3.1 | -1.6 | 2.0 |
| Construction | 7.7 | 9.1 | 11.9 | 10.4 | 15.0 | 9.5 | 7.4 | 1.5 |
| Wholesale & retail trade; hotels & restaurants | 2.7 | 5.4 | 7.0 | 6.0 | 5.3 | 0.8 | -2.5 | 2.2 |
| Transport and communication | 6.3 | 4.9 | 5.3 | 5.1 | 6.6 | 3.4 | 0.6 | 2.9 |
| Finance, real estate and business services | 4.8 | 7.1 | 5.7 | 9.6 | 7.9 | 7.3 | 0.9 | 1.9 |
| Community, social and other personal services | 5.6 | 1.7 | 3.8 | 5.2 | 5.6 | 3.9 | -0.3 | 0.6 |
| General government services | 2.8 | 1.9 | 4.3 | 3.1 | 4.0 | 4.5 | 4.1 | 3.0 |
| All industries at basic prices | 3.0 | 4.5 | 5.3 | 5.5 | 5.6 | 3.7 | -1.5 | 2.8 |
| Taxes less subsidies on products | 2.7 | 5.0 | 5.0 | 6.2 | 5.2 | 2.6 | -2.9 | 3.0 |
| GDPR at market prices | 2.9 | 4.6 | 5.3 | 5.6 | 5.6 | 3.6 | -1.7 | 2.8 |

NB: Gross domestic product by industry at constant 2005 prices (R million)

Source: KZN Department of Economic Development and Tourism (2011a)

The Business Confidence Index (BCI), monitored by the South African Chamber of Commerce and Industry (SACCI), shows a continuation of the downward trend that started in July to August 2011 which is a concern for the country's economy. March 2011 recorded the highest level of 104.2 following a better fourth quarter in 2010 compared to the previous quarters of 2010. The BCI averaged 100.0 in 2010 which was a big improvement on 2009.

Table 2.2: SA Business Confidence Index

| Month | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------|------|------|------|------|-------|-------|-------|-------|------|------|-------|-------|
| January | 79.4 | 83.2 | 79.5 | 83.1 | 96.2 | 99.0 | 103.1 | 101.5 | 93.8 | 82.4 | 95.8 | 103.1 |
| February | 80.5 | 87.0 | 79.4 | 82.8 | 95.0 | 99.8 | 100.1 | 100.5 | 94.0 | 84.5 | 97.9 | 101.9 |
| March | 78.7 | 84.1 | 78.1 | 83.2 | 95.9 | 100.3 | 100.9 | 99.5 | 93.9 | 78.9 | 97.9 | 104.2 |
| April | 75.6 | 80.6 | 79.7 | 84.0 | 97.5 | 100.1 | 103.1 | 101.9 | 93.4 | 81.9 | 97.9 | 102.5 |
| May | 77.6 | 81.5 | 84.2 | 80.6 | 97.2 | 99.9 | 101.4 | 100.2 | 93.0 | 81.8 | 96.7 | 101.2 |
| June | 76.9 | 85.0 | 85.0 | 83.2 | 96.8 | 100.8 | 99.4 | 99.1 | 92.6 | 83.1 | 100.0 | 102.4 |
| July | 78.1 | 85.7 | 83.8 | 85.0 | 96.4 | 101.5 | 99.1 | 99.6 | 92.8 | 83.1 | 99.4 | 99.0 |
| August | 78.5 | 85.7 | 82.4 | 87.0 | 100.5 | 99.2 | 99.0 | 98.1 | 90.5 | 83.0 | 103.3 | 98.6 |
| September | 77.8 | 82.3 | 83.6 | 88.3 | 103.0 | 99.0 | 97.7 | 98.7 | 89.9 | 85.5 | 103.6 | 98.4 |
| October | 80.1 | 81.2 | 82.2 | 91.6 | 99.5 | 99.1 | 99.5 | 96.9 | 84.2 | 82.2 | 101.3 | |
| November | 78.5 | 84.7 | 83.0 | 94.2 | 98.4 | 99.5 | 103.2 | 95.8 | 86.7 | 84.1 | 102.6 | |
| December | 82.3 | 79.7 | 82.0 | 96.3 | 97.7 | 101.8 | 103.5 | 94.8 | 83.8 | 83.5 | 103.3 | |
| Average | 78.7 | 83.4 | 81.9 | 86.6 | 97.8 | 100.0 | 100.8 | 98.9 | 90.7 | 82.8 | 100.0 | |

Source: South African Chamber of Commerce and Industry – SACCI (2011)

Table 2.2 indicates that business confidence is experiencing a bumpy ride in recent months after it achieved a comfortable level of 100 in 2010. This current turbulent wave depicts similar trends of early 2010. It is notable that, during the course of the previous two years, the BCI only reached the upper band of 104 in 2011.

The Business Confidence Index (BCI) declined further from 99.0 in July 2011 to 98.6 in August 2011. The BCI is “rebased” to 2010 being 100. Although the BCI dipped by only 0.4 index points between July and August 2011, the BCI was 4.7 points below the August 2010 level. This is the biggest year-on-year decline since the 5.2 points decline of September 2009. Business confidence has continued its downward trend since the start of 2011 and the prevailing economic circumstances that influenced the business climate negatively will continue to pressure the BCI (SACCI, 2011).

2.2. A KwaZulu-Natal Perspective

The province of KwaZulu-Natal, with a total area of 94 361 square kilometres, is roughly the size of Portugal. While it is the country's third-smallest province, taking up 7.7% of South Africa's land area, it has the second-largest population, estimated at 10.6-million people in 2010. The principal language is isiZulu, followed by English and Afrikaans. Remnants of British colonialism and a mix of Zulu, Indian and Afrikaans traditions give the province a rich cultural diversity (KZN, 2011b).

KwaZulu-Natal is the only province with a monarchy specifically provided for in South Africa's Constitution. The province's name comes from the Zulu kingdom of KwaZulu, previously a nominal (although never "independent") homeland in the apartheid era, and the former British colony of Natal, later a province of South Africa. KwaZulu-Natal has active conservation activities. The Royal Natal National Park is home to more than 1 000 plant species, 12 species of antelope and three of the world's seven species of crane. Other reserves are Giant's Castle and the Kamberg Nature Reserve (KZN, 2011b).

Some of South Africa's best-protected indigenous coastal forests are found along the subtropical coastline of KwaZulu-Natal, such as at Dukuduku and Kosi Bay. It is also along this coast that the magnificent iSimangaliso Wetland Park is found – along with the Drakensberg, one of KwaZulu-Natal's two Unesco World Heritage sites. The northern part of the province, on the Swaziland border, is typical African savannah, providing a natural backdrop for its rich wildlife, protected in several game parks (KZN, 2011b).

The province has fertile soil and experiences rainfall of more than 1000 mm per annum. This makes agriculture critical and strategic for the province taking into account the national port opportunities through Durban and Richards Bay for the export market to generate foreign exchange. Figure 2.3 shows a KwaZulu-Natal provincial map.

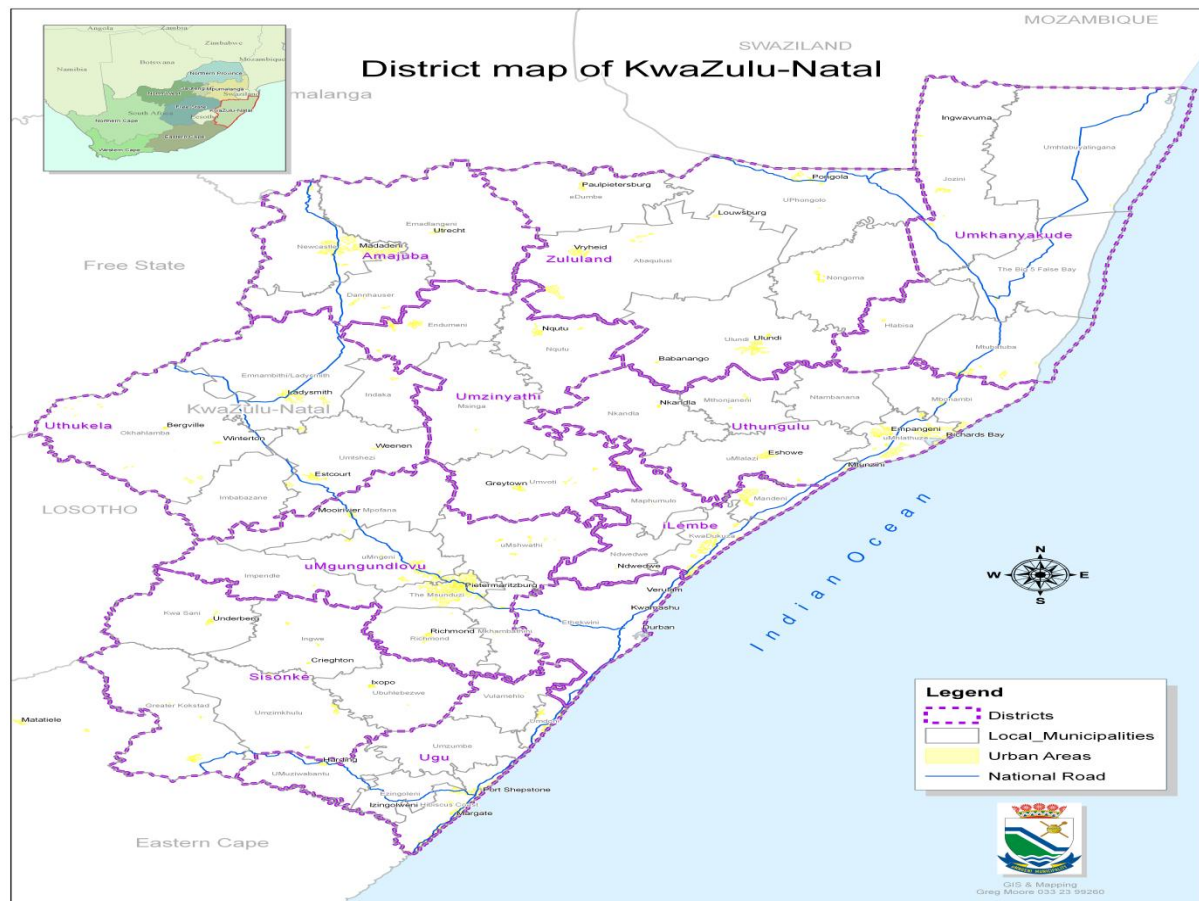


Figure 2.3: KwaZulu-Natal Map

Source: Umgeni (2011)

According to the KZN Provincial Department of Economic Development and Tourism Report (2008), “The KwaZulu-Natal economy grew by 5.3% in 2005, above overall national growth of 5.1%, and was only surpassed by GGP growth in Gauteng and the Western Cape. Average annual economic growth for the province over the period 1996-2005 was 3.7%, on par with the overall national growth

performance over that time. KZN currently contributes about 16% of the total South African economy. KZN remains the second-largest contributor to national GDP, after Gauteng. The largest sector in KZN is manufacturing, contributing about 22% of provincial GGP. The KZN manufacturing sector grew faster than overall national manufacturing between 2003 and 2005, outstripping manufacturing growth in all of the other provinces except the Western Cape.

KZN contributes over one fifth of total manufacturing output, making the province vital to the overall performance of the manufacturing sector in South Africa. The second largest sector in KZN is the finance, real estate and business services sector, which contributes about 16% of provincial GGP. The finance, real estate and business services sector is the fastest-growing sector in the province, averaging 6.3% growth per year from 2003 to 2005. Retail and wholesale trade is the third largest sector in KZN. The sector has benefited from strong consumer demand since 2004 as falling interest rates and inflation, higher real wage growth, and strongly appreciating property asset values, caused high levels of real income growth, fuelling retail sales.

Between 2003 and 2005 retail and wholesale trade growth was higher than Western Cape but lower than Gauteng, and roughly on par with overall national growth in the sector. The construction sector also performed very well in KZN between 2003 and 2005. The KZN construction sector contracted between 1995 and 2003, one of only two provinces to experience negative output growth over this period (the other was Free State). Following this period of negative construction sector growth, characterised by a property market slump and pedestrian commercial, retail and industrial development in KZN, the sector experienced strong annual output growth in excess of 11% in 2004 and 2005, on par with Gauteng and Western Cape.

According to FNB (2011) “Durban is now a megacity, encompassing some 2,297 square kilometres. It has Africa’s largest and busiest port (the 9th largest in the world), which moves 33,000,000 tonnes annually. KwaZulu-Natal is the second largest economy in the country. It contributes 16.5 percent towards the Gross Domestic Product (GDP) of the country”.

The figures 2.4 and 2.5 below indicates KwaZulu-Natal land size and population size compared to other provinces

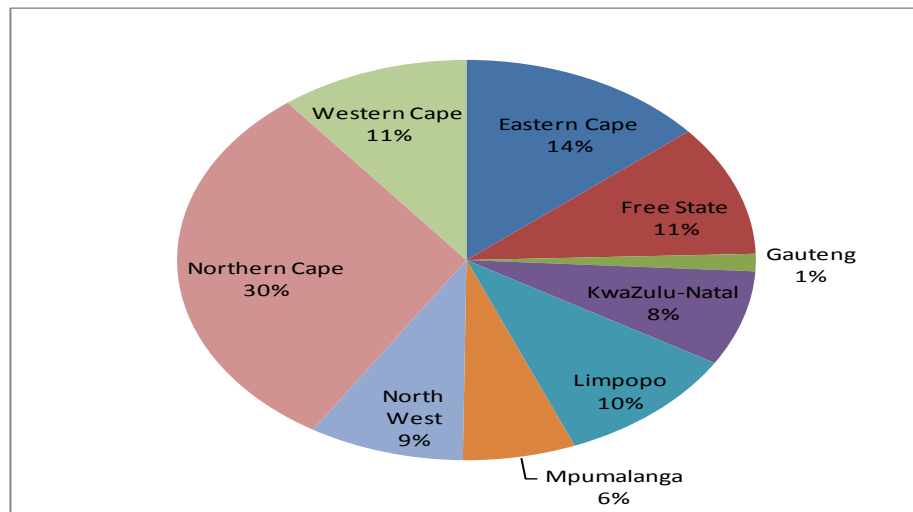


Figure 2.4: Land Area by Province

Source: FNB (2011)

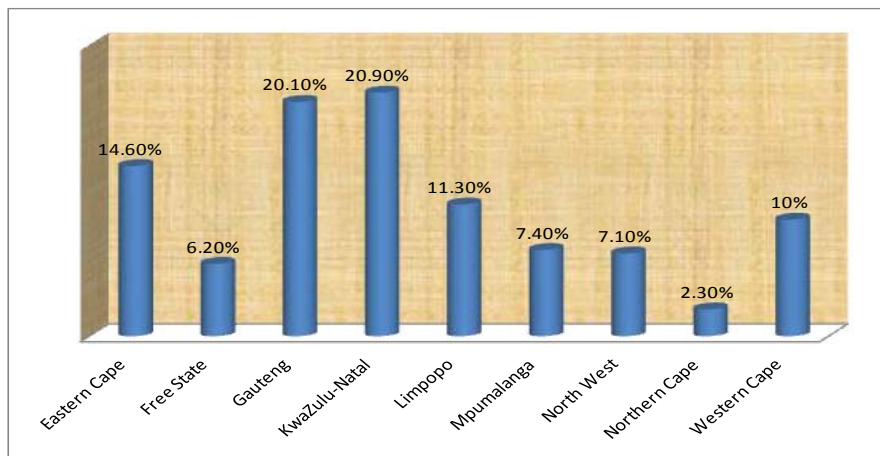


Figure 2.5: Population by Province

Source: FNB (2011)

It's clear from the figures above KwaZulu-Natal land size relative to the population size is significant as one of the main economic considerations.

Overall, the province has seen the relative importance of its primary and secondary sectors decline over the last ten years, with the relative contribution of the tertiary sector increase. This trend is

expected to continue in the future, with service-oriented sectors contributing an ever-growing share to provincial GGP. Despite the relative decline in the extractive (primary) and productive (secondary) sectors, the province continues to contribute importantly in these areas to the national output. KwaZulu-Natal remains the largest contributor to the country's agricultural output, the second-largest contributor to national manufacturing and electricity, gas, and water (second only to Gauteng), and the third-largest contributor to national construction output.

Table 2.3 below highlights KZN's economic sectors. "It is clear that the agricultural sector has not been performing well in recent years with the exception of 2008. The sector has lost its contribution percentage in the overall provincial figures over the years from 5.2 per cent in 2003 to 0.6 per cent in 2010.

Table 2.3: KwaZulu-Natal Economic Sectors

| KwaZulu-Natal | | | | | | | | |
|--|-------|------|------|------|------|------|-------|------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Agriculture, forestry and fishing | 5.2 | 0.3 | -5.8 | 0.5 | 4.1 | 14.6 | -3.2 | 0.6 |
| Mining and quarrying | 5.9 | 2.0 | -6.3 | -3.3 | 2.5 | -6.5 | 2.9 | -4.3 |
| Manufacturing | -0.9 | 4.7 | 6.2 | 6.0 | 5.3 | 2.6 | -10.6 | 5.1 |
| Electricity and water | -11.5 | 7.3 | 6.5 | 3.3 | 3.3 | -4.0 | -0.5 | 1.6 |
| Construction | 4.7 | 9.4 | 13.6 | 7.6 | 14.4 | 9.6 | 4.0 | 1.1 |
| Wholesale & retail trade; hotels & restaurants | 3.5 | 5.4 | 6.5 | 6.4 | 5.6 | 0.9 | -1.0 | 2.4 |
| Transport and communication | 7.0 | 4.5 | 5.9 | 5.2 | 7.1 | 3.8 | 1.2 | 2.6 |
| Finance, real estate and business services | 5.6 | 7.2 | 10.6 | 7.7 | 7.8 | 7.3 | 1.5 | 1.8 |
| Community, social and other personal services | 5.6 | 1.8 | 3.4 | 5.3 | 5.5 | 3.8 | 0.0 | 0.6 |
| General government services | 2.2 | 1.3 | 4.5 | 3.0 | 4.3 | 4.9 | 4.4 | 3.0 |
| All industries at basic prices | 2.9 | 4.5 | 5.9 | 5.4 | 6.0 | 4.1 | -1.7 | 2.6 |
| Taxes less subsidies on products | 1.6 | 4.8 | 4.5 | 6.4 | 4.9 | 2.7 | -2.6 | 2.9 |
| GDPR at market prices | 2.7 | 4.5 | 5.8 | 5.5 | 5.9 | 4.0 | -1.8 | 2.6 |

NB: Gross domestic product by industry at constant 2005 prices (R million)

Source: KZN Department of Economic Development and Tourism (2011a)

2.3. The Agricultural Economy

Mkhize (2009) said, "In building local economies, the participation of all relevant local actors is at the heart of success. Successful LED requires strong participatory local planning and implementation processes. Good communication between local stakeholders allows for a robust engagement of the

key issues and ways in which they can be addressed. It allows for greater understanding and the development of strong partnerships. District and local municipalities must rise above parochial interests and play a leading role in facilitating these partnership processes”.

The KZN Provincial Department of Agriculture and Environment – Comprehensive Rural Development Programme includes among others:

- Rural development is about enabling rural people to take control of their destiny thereby dealing effectively with rural poverty through the optimal use and management of natural resources;
- Rural development can be achieved through self-help initiatives as well as through co-ordinated and integrated broad-based agrarian transformation; through strategic investment in economic and social infrastructure that benefits entire rural communities and not only those in agriculture;
- Sustainable and vibrant communities are critical (DAE, 2011).

South African land suitable for agriculture is limited to particular areas within the geographical spread of the country. Rainfall also plays a key role in terms of which areas to cultivate for farming and impacts on the type of crop that can be grown.

Only 13% of the land area is available for cultivation. Nonetheless, the agriculture, forestry and fishing sector contributes around 5% of GDP, employs approximately 10% of the working population and accounts for almost 30% of non-gold export revenues. The impact of the sector is more noticeable in rural areas, particularly in former homelands, where employment in agriculture is higher and official statistics do not indicate the amount of subsistence farming in the sizeable informal sector (CP, 2004).

About 8,5 million people are directly or indirectly dependent on agriculture for their employment and income. The Department of Agriculture, Forestry and Fisheries is responsible for production and resource management, agricultural support services, trade and economic development, food safety

and biosecurity, forestry, and marine aquaculture. The total contribution of agriculture to the economy increased from R38 billion in 2002 to R66 billion in 2009. South Africa's dual agricultural economy comprises a well-developed commercial sector and a predominantly subsistence-oriented sector in the rural areas" (SAYB, 2011a).

High potential arable land comprises only 22% of total arable land. Some 1,3 million hectares (ha) are under irrigation. These comprise about 1,5% of South Africa's agricultural land. The most important factor limiting agricultural production is the availability of water. Rainfall is distributed unevenly across the country. Almost 50% of South Africa's water is used for agricultural purposes. The country can be subdivided into a number of farming regions according to climate, natural vegetation, types of soil and the type of farming practised. Agricultural activities range from intensive crop production and mixed farming in winter-rainfall and high summer-rainfall areas, to cattle ranching in the bushveld and sheep farming in the more arid regions. Owing to its geographical location, some parts of South Africa are prone to drought (SAYB, 2011a).

Primary commercial agriculture contributes about 3% to South Africa's gross domestic product (GDP) and about 7% to formal employment. However, there are strong backward and forward linkages into the economy, so that the agro-industrial sector is estimated to contribute about 12% of GDP. Major import products include rice, oilcake and solid residue, wheat, under-matured alcohol, palm oil and unmanufactured tobacco. Despite the farming industry's declining share of GDP, it remains vital to the economy and the development and stability of the southern African region. For the past five years agricultural exports have contributed on average about 6,5% of total South African exports. Exports increased from 5% (1988) to 46% (2009) of agricultural production; however, South Africa is losing on its net trade balance on processed goods, owing to the growth in imports of processed goods. The estimated value of imports in 2008 came to R38,4 billion, while exports totalled R44,3 billion. The largest export groups are wine, citrus, maize, grapes, sugar, apples, pears and quinces. Other important export products are under-matured ethyl alcohol, avocados, pineapples, dates, preserved fruit and nuts, as well as hides and skins (SAYB, 2011b).

The total gross value of agricultural production (total production during the production season valued at the average basic prices received by producers) for 2009 was estimated at R129 122 million, compared with R131 272 million the previous year – representing a decrease of 1,6%. The gross value of animal products, field crops and horticultural products contributed 48,7%, 26,7% and 24,6% respectively to the total gross value of agricultural production. The poultry-meat industry made the largest contribution with 17,9%, followed by the red meat industry (14,7%) and maize (12,7%) (SAYB, 2011c).

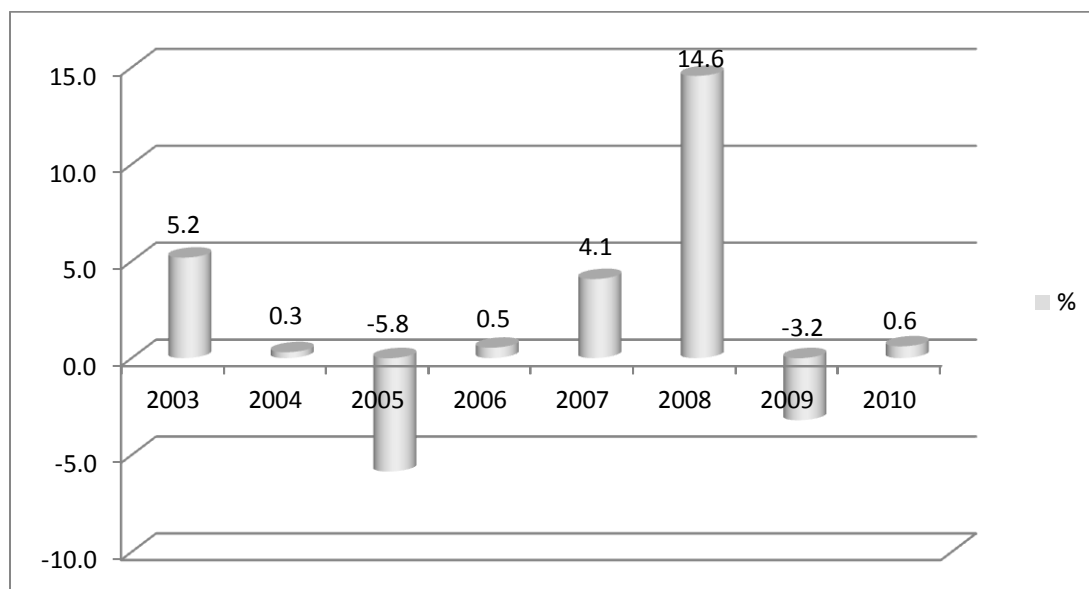


Figure 2.6: KZN Agricultural Sector

Sector: KZN Department of Economic Development and Tourism (2011a)

The KZN provincial agricultural sector's economic contribution has been declining over the years and even experiencing negative growth in 2005 and 2009. The challenge is that agriculture affects most rural communities and food security is also threatened by the declining trends.

2.4. Conclusion

The chapter highlights the South African and KwaZulu-Natal province economies. It also summarizes the agricultural sector with the emphasis on KwaZulu-Natal.

CHAPTER 3: A REVIEW OF LAND REFORM PROJECTS

3.1. Introduction

This chapter focuses on the land reform projects in KwaZulu-Natal to assess their performance, including challenges and opportunities since the transfer of land by the National Department of Rural Development and Land Reform to the rightful beneficiaries.

There were 79,696 claims lodged with the department by the cut-off on the 30th November 1998, of which 57,726 have been finalised. There are 18,297 still to be finalized and 3,673 claims to be researched. The majority of the remaining claims are in rural areas and comprise a large number of hectares. The process of finalizing claims has been very slow and poses serious challenges for all parties involved (i.e. claimants, farmers and government). The claims range from industrial land, farming land, suburbs and commercial areas across the country. The dynamics differ from area to area with varying degrees of complexity.

The impact of globalization is felt by local farmers, land beneficiaries and the private sector in terms of export competitiveness. The local domestic market is unable to consume all products produced locally. Therefore, there is a need to export products to overseas markets. The current turbulence in the European Zone is not helping local producers. A key challenge for the South African economy is whether goods exported to the European and Asian markets are raw materials or final foods. If goods are exported as raw materials, then South Africa is losing in terms of job and value creation as the final products will return to Africa much more expensive.

Unemployment and poverty in rural South Africa are big challenges and developmental opportunities for local municipalities and the national government are desperately needed to drive development in rural areas. The National Department of Rural Development and Land Reform introduced the Comprehensive Rural Development Programme. The aim is to integrate rural communities with existing municipal areas to drive development in rural areas to complete the current rural mandate and initiatives operating there. The Integrated Sustainable Rural Development Programme (ISRDP),

launched in July 2000, is a renewed attempt to improve opportunities and well-being for the rural poor.

The Agricultural Sector Strategy (Republic of South Africa, 2001) lists core objectives for supporting emerging farmers as: more equitable access and participation in the agricultural sector, improved global competitiveness and profitability, and sustainable resource management and food security. A key strategy for helping emerging irrigation farmers to enter commodity production is the broad-based black economic empowerment framework for agriculture (Agri-BEE), within which joint ventures play a major role. These ventures, involving private investors and producers and supported by government agencies, are seen as a way to provide emerging black farmers with the requisite financial resources, technology, technical and managerial skills and access to markets.

3.2. Background History

The land debate is an emotional and sensitive issue to tackle with a vast group of stakeholders with divergent interests in the same piece of land. The matter is more critical now than ever before as stakes are high and impact on South Africa's international profile as there are conflicting messages on how to manage and transfer land going forward.

The land was registered under different systems. Generally, it was Africans who lost the land they treasured. During the 21st century, the majority of Africans expect the land programmes introduced by the government to assist them to address this matter. According to Mathis (2007), 'During the last century and a half in southern KwaZulu-Natal, two different systems of land tenure have been enforced by the state. One centred on private property, while the other created a trust, under which land was held by 'tribal' groups and customary leaders controlled its distribution. These tenure systems emerged out of the system of indirect rule established during the second half of the nineteenth century in colonial Natal'.

The land debate and crisis has been experienced by many countries across the world. What makes matters worse in South Africa is that people (i.e. the majority) were removed by the government (i.e. the minority) to create town and industrial development of the then Pretoria-Witwatersrand-Vereening, for example, in Gauteng Province (the then Transvaal). Another complication arose from tribal wars between African nations that also displaced communities across South Africa, as is the case observed in this research.

According to Welsh (1971), 'As early as 1846, a few years after the annexation of Natal by Britain, 'locations' or 'reserves' for Africans were first established in the Natal colony. These reserves were administered by customary leaders who were either appointed by the colonial state, or incorporated into the state as administrators'.

The traditional authorities managed land in different formats across the country. In the then Transvaal, most of the tribal land was registered in community trusts. That makes the process of restitution much easier than where the land was registered as state land where communities have been living since time immemorial. In KwaZulu-Natal in particular, most of the land in rural areas is registered under the Ingonyama Trust managed under the Ingonyama Trust Act by His Majesty King Goodwill Zwelithini, who is the custodian on behalf of the Zulu nation.

According to Etherington (1989), 'When the reserves were initially established, only a third to a half of the Africans who inhabited tribal land were under the jurisdiction of hereditary customary leaders. As a result, the colonial government had a policy of grouping people together to create 'tribes' and appointing a 'chief' over them from among those loyal to the state. This division of African residents into tribes was reinforced by policies such as collective responsibility for crimes and allowing customary leaders considerable power to create and enforce laws in their areas of jurisdiction.

The land question has been central to the South Africa political debate for a considerable time and was included as one of the central issues of the liberation movements to organize themselves to fight for the return of the land to the majority of Africans.

According to Hughes (2011), “There are only one million of you and there are about six millions of us; and one million of you have three fourths of the land, and six millions of us have one fourth of the land. That is not fair.... In asking (for more land) I do not think we are asking for charity; we have contributed to the development of South Africa with our labour... we have done our share in that respect, and in the matter of taxation, both direct and indirect”.

“The legacy of apartheid is perhaps most visible in agriculture. The post-apartheid government inherited a highly unequal land ownership structure, created by legislation in the early 20th century and reinforced by apartheid, which attempted to cram 75% of the population on to 13% of the land. Land reform is therefore an important policy issue, and one that has become increasingly pressing since the government sponsored land invasions that have taken place in Zimbabwe. In September the Minister of Agriculture and Land Affairs published black economic empowerment (BEE) targets for the ownership and control of land. The aim is to redistribute 30% of white-owned farmland to blacks by 2015 and to transfer a further 20% through leases, also by that date. Moreover, current transfer rates suggest that the targets cannot be achieved; less than 1% of the 1994 targets have been met. There are some concerns that the programme will unduly raise the expectations of those seeking to possess land, and also undermine investor confidence and farmer morale” (CP, 2004).

“A report by an international think-tank, the International Crisis Group, recently warned that South Africa risks increased rural violence if it does not push forward with land and agriculture reform. The organization claims that international donor support needs to be made available if targets of land redistribution are to be achieved and a Zimbabwe type outcome avoided. The report further claims that only 3% of agricultural land has so far been transferred to black ownership” (CP, 2004).

The following are Legislative Acts which affected the land that were passed by the South African government in different phases prior to democracy:

- Irrigation and Conservation of Water Act 12 of 1912
- The Natives' Land Act of 1913
- Deeds Registration Act 47 of 1937
- Black Authorities Act 68 of 1951
- Kimberly Leasehold Conversion to Freehold Act 40 of 1961
- State Land Disposal Act 48 of 1961
- Removal of Restrictions Act 84 of 1967
- Professional and Technical Surveyor's Act 40 of 1984
- Sectional Titles Act 95 of 1986

The Acts below have been passed by the South Africa Parliament post-democracy:

- Abolition of Racially Based Land Measures Act 108 of 1991
- Upgrading of Land Tenure Rights Act 112 of 1991
- Physical Planning Act 125 of 1991
- Restitution of Land Rights Act 22 of 1994
- Land Administration Act 2 of 1995
- Development Facilitation Act 67 of 1995
- Abolition of Racially Based Land Measures Act 108 of 1991
- Land Titles Adjustment Act 111 of 1993
- Distribution and Transfer of Certain State Land Act 119 of 1993
- Communal Property Association Act 28 of 1996
- Interim Protection of Informal Land Rights Act 31 of 1996
- Land Survey Act 8 of 1997
- Extension of Security of Tenure Act 62 of 1997
- Transformation of Certain Rural Areas Act 94 of 1998
- Abolition of Certain Title Conditions Act 43 of 1999
- Restitution of Land Rights Act Amendment Act 48 of 2003
- Spatial Data Infrastructure Act 54 of 2003
- Communal Land Rights Act 11 of 2004

It is clear that more Acts have been passed since 1994 to address the imbalances and racial discrimination of the African majority to acquire and manage land in South Africa. See Annexure E for the Restitution of Land Rights Act 22 of 1994. There are other Acts which emanate from other government departments which have a bearing on the new land beneficiaries such as the National Water Act, National Forests Fire & Veld Act, and Mineral Act etc.

3.3. Land Settlement Directorate Agenda

According to SAYB (2010), “The overall goal of the Directorate: Land Settlement is to provide support to farmers through land-reform programmes, with the intention of developing viable and sustainable agricultural ventures. The directorate develops and provides guidelines for the implementation of policies and programmes supporting land and agrarian-reform beneficiaries. It also facilitates the implementation of land and agrarian-reform projects and promotes sustainable agriculture for improved livelihoods. Furthermore, the directorate facilitates the effective administration and disposal of state agricultural land.

The directorate ensures farmer support by developing policies such as the Farmer-to-Farmer Mentorship Policy, and implementing programmes such as the Comprehensive Agriculture Support Programme (CASP) and the Land Reform Revitalisation Programme. A budget of R862,4 million for 2010/11 was allocated to CASP to address support for food production, both for subsistence and for the market. The department is expected to embark on projects in food production, agro processing, infrastructure development (water, dams, irrigation systems and fencing), cooperatives and stokvels (social economy), as well as the green economy (agro-ecology)”.

CASP outputs for the 2010/11 financial year included establishing 1 739 food security projects, creating 760 jobs, and training and improving the knowledge and skills of 5 089 beneficiaries to ensure that 7 961 on- and off-farm infrastructure targets had been completed and were functioning.

The directorate manages and controls 125 227 ha of state land, called Financial Assistance Land Administration, which consists of:

- leased land: 57 154 ha
- vacant land: 13 811 ha
- land for restitution: 54 262 ha” (INFO, 2010).

CASP has been reprioritised to respond timeously to the demands of the Land and Agrarian Reform Project (LARP). LARP is aimed at accelerating and aligning land and agrarian reform in South Africa and focuses on the following objectives (INFO, 2010):

- redistributing five million ha of white owned agricultural land to 10 000 new agricultural producers
- increasing black entrepreneurs in the agribusiness industry by 10%
- providing universal access to agricultural support services to the target groups
- increasing agricultural production by 10% to 15% for the target groups, under the Ilima/Letsema Campaign
- increasing agricultural trade by 10% to 15% for the target groups.

LARP is a joint project of the Department of Rural Development and Land Reform; the Department of Agriculture, Forestry and Fisheries; provincial departments of agriculture; agricultural state-owned enterprises; and sector partners.

3.4. Local Economic Development Significance

Local Economic Development (LED) is the main centre word of policy makers, economists, and investors when discussing matters affecting local development, more especially rural communities. LED as a concept is new in South Africa and Local Government and Traditional Affairs has been championing this concept indicating that municipalities must have officials dedicated to LED projects. There have been dedicated projects such as gardening, wood craft, etc. sponsored by the provincial economic department to drive those SMMEs for sustainability.

However, according to Philander and Rogerson (2001) and Rogerson (2000), the term “local economic development (LED) is often contested by some analysts as stressing the objectives of the enhancement of economic growth and others as meeting the challenges of unemployment or poverty”. Internationally it is conceded that LED is essentially an umbrella term that covers a variety of organized local responses to globalization. It must be understood that the business of LED is not merely an activity for local government alone; rather, it involves all stakeholders in a locality and would include the private sector, the community, NGOs and trade unions, among others.

LED initiatives for the restructuring of rural economies variously involve the strengthening of agricultural bases, the diversification of rural communities through the attraction of new production activities, making rural areas attractive spaces for tourism consumption, or lobbying for public sector spending by geographically marginal communities (Neil an Tykkylainen, 1998).

3.5. Local Economic Development in South Africa

The concept of LED is new in South Africa. LED involves the interaction between business, government and community in order to address projects holistically to avoid the isolated-mentality that existed for many years. LED has come about through globalization and the opening of the South Africa economic market which allowed for more competition.

The policy maker’s role is to make sure all players are engaged in driving projects as a team to leverage resources. The drafting of a local project at local municipality level needs to talk to local corporate projects which answer the community’s needs to avoid creating “white elephant” projects. There are projects currently at rural communities like food gardens in Zululand which are not fully operational. This highlights that no proper integrated planning by all role players was done before executing projects.

South Africa is one of the pioneers in the planning for LED in the contemporary developing world and the most advanced example of LED initiatives in Africa. Much of the earliest thinking in South Africa

about LED was strongly influenced by the experiences of Britain and the USA where a substantial body of literature on the subject had been generated, and by Australia, where the response to declining small towns had resonance in South Africa. More recently, the focus has shifted to indigenous South African debates around LED and township development or LED and reconstruction (Philander and Rogerson, 2001).

According to Nel (1999), “It is important to record that in rural areas of South Africa external support and advice is necessary in order to meet capacity shortfalls at local levels for undertaking LED”. The current weak nature of rural local government, which lacks adequate resources to tackle all the challenges which it confronts, does not help improve the environment for successful LEDs (Binns & Nel, 1999).

The importance of local support for small enterprise development has been highlighted. Research on rural LEDs in South Africa shows that the focus is often on questions of poverty alleviation” (DPLG, 2000) (Philander, 2001). In small towns and rural communities, LED is often undertaken as a broad-based community initiative led by a local NGO, church or key local leader with activities tending “to focus on developing local potential with the aid of local resources and skills, and promoting activity such as small scale farming, micro businesses and tourism” (Nel, 2000).

3.6. Local Economic Development and Land Restitution

Zimmerman (2000) indicates that “South Africa’s land redistribution programme is viewed as holding considerable promise for improving conditions in the country’s poor rural areas”. “The programme is both an anti-poverty initiative that is targeted at the poor as well as an attempt at racial restructuring of land ownership (May, *et al.*, 2000).

The post-apartheid South African government introduced three pillars to address the land question: restitution, redistribution and land tenure reform. All cases differ in terms of implementation to benefit the intended target population.

In an important policy document, the South African Department of Constitutional Development (now DPLG) recognized that land reform is a critical first step for instituting processes of LED in many rural areas of the country. The introduction of land reform is seen as affording the necessary security of tenure for rural communities, bringing “order into the chaos and injustice inherited from the apartheid system of land administration (Adams *et al.*, 2000). The land reform programme brings new perspective into the LED opportunities and challenges for practitioners and beneficiaries.

As the land restitution process in South Africa gathers a degree of momentum, however, growing controversy and debate is occurring around the issue of communities facing the prospect of redeveloping the land that they have now regained (Philander, 1998; Mngxitama, 2000). The post-settlement process is more challenging than the initial phases of the land claim.

3.7. Politics of Land Reform

As stated by Mathis (2007), ‘We are here to talk about a very important and sensitive issue. Today God has brought us together that we share our different views on the land which was taken away from us without any notice. It was very disrespectful to the *amakhosi*¹ what Afrikaners did to us, taking away our beautiful land and sending us to live among the cliffs and uneven land. We are doing this to help each other get our land back, and we are helping the *amakhosi* of that time to have their dignity restored, for the grandfathers and grandmothers who were abused, physically and emotionally, by being removed from their homes. We are doing it so that they can be proud that the children of today still remember how their grandparents suffered. So today we all have to work together because this is not the *inkosi*’s land alone, neither is it the community’s, but it belongs to both the *inkosi* and the community’.

¹ *Amakhosi* – Zulu term for chiefs. The singular form is *inkosi* and the institution of chieftaincy is *ubukhosi*. Chiefs and other customary leaders within South Africa are also commonly referred to as traditional authorities and the land under the jurisdiction of a single chief is usually referred to as a Traditional Authority or TA (Mathis, 2007).

There is a lot of conflict just among community members even before engaging the current land owners. Some of the key issues identified as sources of conflict are:

- Individuals who have lodged land claims without involving the *inkosi*. The incumbent now becomes the key driver and contact of entry between the Department of Rural Development and Land Reform as per the lodged form.
- The *inkosi* becomes a spectator at the beginning of negotiations, which creates heated debates between the Traditional Authority (TA) and members of the land claim either as Trust or Community Property Association (CPA).
- Interference of the Land Reform Department either as assisting or being part of the problem trying to direct the claim in a particular direction.
- The exclusion of unemployed youth and women which results in tension between all stakeholders.
- Uncoordinated objectives on how the land must be used for development, i.e. farming interest for grazing vs. commercial property development.
- Underground political officials' interference using their state powers to direct the claim for good or bad in the interest of the community.
- Market speculators dealing with a few leaders without taking the community structures into account.
- The land claim leaders, i.e. committee members' political affiliation which complicates matters, more especially in highly contested political wards.
- The relationship between the *inkosi* vs. ward councillor vs. trustee as all want to take the centre stage to dominate their position in the process of negotiations.
- A leader who occupies many roles which at times conflict and himself/herself being unaware of this during the process, e.g. *induna*² and trustee being one person. On the one hand he is part of the *inkosi's* traditional authority and on the other leads the claim with the broader community members.

² Commonly translated into English as 'headman', the *induna* is a customary leader appointed by an *inkosi* (Mathis, 2007).

3.8. Training Impact

Agbogidi and Ofuoku (2009) identified the training needs for rural women in Nigeria as per Table 3.1 below.

Table 3.1: Training needs required by rural women in Nigeria

| Training Need Area | Mean |
|-----------------------------|------|
| Alley farming | 3.0 |
| Fuel wood exploitation | 2.5 |
| Extraction of herbs | 1.6 |
| Controlled bush burning | 3.5 |
| Agri-sivicultural practices | 3.4 |
| Herbicide application | 3.0 |
| Pesticide application | 3.0 |
| Fertilizer application | 3.1 |
| Financial management | 3.2 |
| Record keeping | 3.0 |

Source: Agbogidi and Ofuoku (2009)

Training need: out-off score = 3.0 (≥ 3.0 - training need; < 3.0 - not a need)

“These women in this zone are not used to alley farming. To them it is still a new concept they would like to know why it should be alley farming and how it is done, they also would like to know what they stand to gain from alley farming. The rural women needed training in controlled burning as burning is a very big problem, especially during the dry season and early part of cropping season. Finance is very difficult to manage, especially when these rural women had their families to cater for and when many of them were household heads as a result of their husbands’ absence. They needed this training so that they would know how to manage the meagre financial resource at their disposal. Record keeping is a very important aspect of farming. Owing to this, most could not account for their operations and transactions” (Agbogidi and Ofuoku, 2009).

3.9 Land Rights: Other African Countries

Cameroon is a country of such biodiversity that it is often presented as “Africa in miniature”. Its ecosystems range from vast expanses of wooded savannah in the north to mountain forests in the coastal zone and about 20 million hectares of dense rainforests in the south. The country’s forests are characterised by the richness of their diversity and the large number of species they support that are not found elsewhere (Rolldalen, 1992).

Land is a crucial issue in the forested areas of southern Cameroon, and two problems are causing particular concern among the local populations: getting the customary land rights of indigenous peoples along the pipeline recognised, and access to natural resources in protected areas.

According to Nguiffo and Djeukam (2008), “the lessons learned from these experiences using the law as a means of promoting and securing indigenous communities’ land rights in southern Cameroon are summarised below:

- There is a proven need for local legal services in the forest communities, especially in areas that are rich in natural resources. The presence of foreign investors and conservation agencies in these areas has significantly restricted local communities’ right of access to land and resources.
- The complexity of some of the situations involving local communities and external actors calls for jurists with a solid legal background, who are also better able to resist threats by companies and local administrators as they can be transferred to other project sites
- The cost of hiring a lawyer (even a junior one) is still high by rural communities standards, making this a luxury they cannot afford without support from a project

Mndeme (2008), identified the following constraints in Tanzania:

- Land reforms do not take proper account of the livelihoods and survival of rural communities, let alone the use of land resources as potential capital for development.
- Legal reforms in the land and natural resources sectors are undertaken in isolation, and do not address critical issues in land tenure regimes, namely the close relationship between land and resource tenure.
- The complexity of the legal process for implementing community based natural resource management, and the need for legal support to enable communities to follow the required procedures for securing rights of access to and ownership of resources under the relevant laws.
- Government leaders at the local level are not willing to act in the interests of the community, and are often silenced by bribes from large investors instead of holding out the community's interests.
- Communities are often apathetic, lacking trust in the system due to their leaders' corruption, inefficiency and waste of resources.
- Communities are unconfident about claiming their rights due to their lack of legal education.
- Lack of financial resources.
- Cut-throat antagonism – we are struggling to defend the community against major investors that have huge resources, hire experienced lawyers and bribe top leaders.

3.10. Women's Development

It is well documented that women outnumber men, but their development lags behind. Rural women are more disadvantaged as their circumstances are worse than that of urban women. The new opportunities through the land reform programme create a platform for rural women to excel in farming over their counterparts in the cities.

According to Mtshali, “In contemporary development literature, it is clear that women’s contribution to rural development has been underestimated and sometimes overlooked as a result of inherited biases build into Western models of extension systems used in South Africa” (Mtshali, 2000).

Tronto (1993) highlights that “the current approach to women’s rural development extension services has largely been influenced by a number of socially constructed ideological factors, such as the industrial revolution, capitalism, positivism and women’s view of morality”.

“Although there has been a shift in policy approaches to women in development throughout the Third World, the welfare approach is still the most popular social development model in extension services for women. The main purpose of the welfare approach was to bring women into development as better mothers, and placed more emphasis on their reproductive role” (Moser, 1993).

There are fewer businesses owned and managed by women in South Africa when compared to men. However, more inroads are being made by women in the areas of construction, farming and tourism (Mathis, 2007).

Rugh (1986) identifies the following reasons to monitor and evaluate rural projects as follows:

- *Planning and management*: Decision makers need to identify the strengths and weaknesses of the project, and its impact on and relevance to the lives of the intended beneficiaries or end-users. This information is important for making decisions about training, logistics, staffing, methodology, and many aspects of project management.
- *Improvement of performance*: monitoring and evaluation help participants assess whether the project is making progress towards their goals in terms of the set objectives.

- *Personal evaluation*: monitoring and evaluation make the project staff aware of areas that need improvement and enable them to find solutions to problems.
- *Allocation of resources*: monitoring and evaluation can help staff and participants to prioritise the use of the project's limited resources.
- *Programme justification*: accountability to the supporters of a project is important. The impact of the project on the quality of life of local communities should therefore be assessed so that participants, staff and donors can make informed judgments concerning the project's value.
- *Determination of policy*: the policy makers need to learn about the effects of a project to be able to determine whether or not to continue with it as is, or to modify or even abandon the approaches being used. Monitoring and evaluation help them to make informed decisions regarding methods which might be tried elsewhere

3.11. Local Competitiveness Perspective

The majority of rural communities are faced with serious challenges of poverty and underdevelopment. There is lack of basic services in most local municipalities. The revenue stream of rural municipalities is very low and agriculture is mostly dominated by a few private companies. The local people mostly offer their labour to the farming communities. The land reform programmes bring a different perspective in how the rural poor now sees and values the land they have been working on for decades, if not centuries. The biggest impediment is the lack of skills for the rural poor to be able to compete with their local counterparts and be competitive internationally.

According to Abu and Kirsten (2009), "Prior to 1997 South Africa's maize marketing system had a single-channel system that discouraged entry by potential competitors, thereby suppressing competition at the milling stage. In 1997 the South African agricultural market was deregulated. In general it was expected that this would lead to, among other things, a more efficient and competitive agricultural marketing system and increased investment and employment in agriculture. Specifically,

the deregulation of the maize market was expected to encourage a proliferation of small-and-medium-scale maize millers, thereby resulting in better competition in the sector and ultimately a reduction in real maize meal prices. These expectations were based on evidence from other countries where deregulation had resulted in improved market conditions, increased intensity in competition, effective resource allocation, higher levels of efficiency and lower prices”.

In South Africa, the majority of maize produced is for human consumption by the majority of the population. About 60 per cent of the maize produced here is white, used primarily for human diets, and the rest is yellow used mostly for animal feed. Abu and Kirsten (2009) conclude that “Since the current deregulation of the maize milling industry, the survival of less efficient small-and-medium-scale maize mills has become highly uncertain as they become less competitive. They therefore need to improve their internal efficiency significantly so as to become competitive in the South African maize meal market”.

“Small-scale irrigation farming is envisaged to play a progressively larger role in rural development and to help reduce some inequalities in South Africa’s space economy. Since the late 1990s, the government has aimed to ‘revitalise’ government-owned small-scale irrigation schemes, many located in former homelands. Its macro-policy shifts seem to favour the creation of black farming elite. Important questions are whether neoliberal policies will harm the poorest and most vulnerable in irrigation farming communities, and whether a new class of petty commodity producers can establish themselves in global commodity chains” (Tapela,2008).

According to D’Haese, Verbeke, Van Huylenbroeck, Kirsten and D’Haese (2005), “The World Development Reports of 2002 and 2003 focus on respectively building and transforming institutions for economic growth. Both reports add to a new (post) Washington consensus that trade liberalization and institutional change are two sides of the same coin. In particular the World Development Report 2002 focuses on new institutional arrangements supporting farmers connect to the commercial supply chains. Yet, the role of the government in this area, and in creating an enabling production and market environment, is still widely debated”.

The rural emerging farmers in South Africa face similar challenges as the rural farmers in Latin American countries – lack of access to markets. Most of the farmers do not control areas of the value chain. What they produce depends on whether the millers/producers, who also own farms, need their raw materials which impacts on prices and eventually affects the profitability of small farm holdings.

Small scale farmers are not organized like commercial farmers and compete with them for access to markets, access to finance etc. Small scale farmers must handle this dilemma in an organized manner to voice their opinions and concerns with the relevant authorities such as government bodies, funders and communities across farm boundaries for mutual benefits.

The main alignment challenge is whether local players take the Provincial Growth and Development Strategy key priorities when planning for local land beneficiaries. The challenges have been identified: unemployment, poverty, food security and rural development. These need to be addressed urgently with vigour to put the development strategies on the right track.

According to Tapela (2008), “The problem is that the vision of a significant role for black petty-commodity producers involved in irrigation farming seems rather ambitious when viewed against the following factors:

- The majority of black arable farmers in South Africa practice commercial rainfed cropping rather than irrigation, and subsistence rather than commercial farming;
- Black farmers face significant constraints to effective participation in the highly competitive and globalised commodity production sectors owing to their lack of financial resources, technology, technical and managerial skills and access to markets, and therefore their requirement for significant investment in farmer support;
- The proportion of black farmers who can benefit from agricultural commercialization is constrained by water scarcity;

- Effective participation by black farmers emanate from world market conditionalities. Trade liberalization policies, such as the World Trade Organization's Agreement on Agriculture, compel developing countries to phase out subsidies, exchange controls and trade barriers without imposing the same conditions in countries in the north".

3.12. Policy Direction

According to Lund (2010), "The call for all agricultural land to be nationalised is a desperate call for help by South Africa's Department of Rural Development and Land Reform. But it's also a red herring to divert attention away from the real reasons why land reform has failed so far – an unskilled bureaucracy with more politics than practicality driving its strategic planning. However, what Gwanya and Paahla don't acknowledge in their call for change and for land reform to be taken more seriously is that Government's current land reform programme isn't only backfiring politically but also threatening to undermine SA's food security. Cabinet's recent estimates are that around 90% of the 5.9m ha of commercial agricultural land acquired by the State since 1994 isn't currently farmed productively. Apart from the fact that the department large commercial farms not only means the beneficiaries are saddled with onerous debt but too many beneficiaries also end up trying to share the farm. This situation is compounded, Government admits, by the fact [that] post-settlement support services have been inadequate or they've been provided by people with little or no farming expertise themselves".

As the research project was still underway, the "National Department of Rural Development and Land Reform" released the much awaited Green Paper on land reform on the 31st August 2011. The Green paper (RDLR, 2011) highlights key areas that will impact the way land reform and management will be handled in future South Africa. The green paper's vision for land reform includes the following:

- A properly re-configured single, coherent four-tier system of land tenure, which ensures that all South Africans, blacks in general and Africans in particular, have reasonable access

to land with secure rights, in order to fulfil their basic needs for housing and productive livelihoods;

- Clearly defined property rights, sustained by a fair, equitable and accountable land administration system within an effective judicial and 'governance' system;
- Secure forms of long-term land tenure for resident non-citizens engaged in appropriate investments which enable food sovereignty and livelihood security, and improved agro-industrial development; Effective land use planning and regulatory systems which promote optimal land utilization in all areas and sectors; and, effectively administered rural and urban lands, and sustainable rural production systems.

The green paper (DRLR, 2011) indicates the current challenges and weaknesses which necessitates the rationale for change:

- 1) The land acquisition strategy / willing-buyer willing seller model (a distorted land market);
- 2) A fragmented beneficiary support system;
- 3) Beneficiary selection for land redistribution;
- 4) Land administration / governance, especially in commercial areas;
- 5) Meeting the 30% redistribution target by 2014;
- 6) Declining agricultural contribution to the GDP;
- 7) Unrelenting increase in rural unemployment; and,
- 8) A problematic restitution model and its support system (communal property institutions and management).

The green paper on land reform has sparked debates amongst a wide range of stakeholders including parliamentarians. Among others, Lindiwe Mazibuko, DA MP and the party's spokesperson on land reform, issued a statement calling on the land reform minister Gugile Nkwinti to "withdraw the Green Paper, go back to the drawing board and present a new paper that will redress SA's land inequalities in a sustainable manner that represents the rights of all" (FW, 2011).

3.13. Industry Organisation

The following section highlights the industry organization that the new and current land beneficiaries should be joining to gain knowledge and be up to speed with industry developments.

3.13.1. AgriSA: Agri South Africa

Agrisa South Africa (Agri SA) was established in 1904 as The South African Agricultural Union. Agri SA promotes, on behalf of its members, the development, profitability, stability and sustainability of commercial agriculture in South Africa by means of its involvement and input on national and international policy level (Agrisa, 2011).



Figure 3.1: AgriSA logo and illustrations

Source: AGRI SA (2011)

3.13.2. AgriSETA

AgriSETA covers all the economic sub sectors previously demarcated to PAETA (Primary Agriculture) and SETASA (Secondary Agriculture). As the list of sub sectors identified by their SIC codes is quite extensive, the following is a broad summary:

- All types of farming such as horticulture, animal husbandry, game, fish, crop and mixed farms
- Slaughtering and handling of meat and livestock products – red meat and poultry (including egg production)
- Processing of fibre, tea & coffee, macadamia nuts and tobacco
- Packing, drying, liquefying, exporting and importing fruit
- Milling, manufacture, storage and handling of sugar and grain products and starch

- Animal feeds and pet foods
- Sales and distribution of agricultural raw materials and other farming inputs and requisites
- Agricultural research
- Pest control
- Seed production and marketing (AgriSETA, 2011)

3.13.3. AGIS: Agricultural Geo-Referenced Information System

Timely availability of reliable geo-referenced land, climate, plant nutrients, production and water information, integrated with infrastructural- and socio-economic factors, are essential for stakeholders, policy makers and land users to exercise the best choices, among options, in using these resources to achieve sustainable levels of food production and development in an increasingly complex environment.

The need for and access to spatial information in South Africa for use in decision making and development planning is a topical issue and inevitably leads to discussions on uncoordinated effort, a lack of funding and expertise and the unavailability of good quality, standardised data.

Between the National Department of Agriculture, Provincial Departments of Agriculture, the Agricultural Research Council (ARC) and other spatial information providers there is a wealth of information (AGIS, 2011).

3.13.4. ARC: Agricultural Research Council

The ARC was established by the Agricultural Research Act 86 of 1990 (as amended) and is the principal agricultural research institution in South Africa. It is a schedule 3A public entity in terms of the Public Finance Management Act 1 of 1999, as amended by Act 29 of 1999.

The Act sets out the objectives of the ARC as “conducting of research, development & technology transfer in order to:

- Promote agriculture & industry;
- Contribute to better quality of life;
- Facilitate/ensure natural resource conservation”

This function is carried out through 11 research institutes whose activities are grouped under five divisions: Field Crops (Grain and Industrial Crops), Horticulture, Animal Production and Health, Natural Resources and Engineering as well as Technology Transfer. The ARC is also responsible for maintaining national assets and undertaking programmes or rendering services that are required from time to time by the department and other stakeholders (ARC, 2011).

3.13.5. Citrus Growers Association

The CGA was established by citrus growers in the wake of deregulation in 1997. Growers were concerned that certain functions previously carried out by the Citrus Board could be discontinued or downsized. With the demise of a single channel marketing system there are often questions raised about “who represents the citrus grower?” The CGA believes that it is their role to fill this void. Grower’s interests are furthered through representation to citrus industry stakeholders – including government, exporters, research institutions and suppliers to the citrus industry.

The CGA represents the interests of the producers of export citrus. In total approximately 1400 growers throughout Southern Africa (including Zimbabwe and Swaziland) are members of the Association. The growers are organised into eighteen regions (CGA, 2011).

3.13.6. FABCOS: Foundation for African Business and Consumer Services

FABCOS is one of 4 national member-based business chambers in South Africa. Its uniqueness lies in its focus on township and rural-based formal and informal businesses, its financial independence and the fact that it operates a number of companies as a means of intervening directly and practically for the benefit of its members. FABCOS is a member of Business Unity South Africa (BUSA).

The chamber was founded in 1988 by the following visionary business leaders: James Ngcoya, Dr Ellen Kuzwayo, Joas Mogale, Andrew Lukhele, Jabu Mabuza, Sam Tuntubele, Zithulele ("KK") Combi, Knox Tsotsobe and current Chairman of the Board of Patrons, Sam Buthelezi" (RSA, 2010). "They understood that with political liberation imminent, black business people from the informal sector would require organization and proper representation to ensure that the political transformation for them would result in tangible economic improvements.

The Founding Vision of FABCOS at the time was, and still remains, "to ensure that informal black business becomes part of the mainstream of the South African economy". FABCOS prides itself as an organization that has secured and continues to achieve real empowerment for its members in ensuring through economic activism that its members are not reliant on employment or hand-outs but rather that they do things for themselves, hence its current theme "Beyond Empowerment ... SIYAZENZELA".

FABCOS promotes the development of black business by striving for the advancement of its members to help them secure economic empowerment, self-reliance, and respect through active participation in formal business and governmental initiatives. FABCOS campaigns for the continual improvement of South Africa's socio-economic climate for the benefit of its members. As a means of developing its members to their full potential, FABCOS remains committed to the pursuit of entrepreneurial

development and training, education, transfer of skills and sound administration (FABCOS, 2011).



Figure 3.2: Illustration of work of FABCOS

Source: FABCOS

3.13.7. BUSA: Business Unity South Africa

Business Unity South Africa (BUSA) was created in October 2003 through the merging of the Black Business Council and Business South Africa. It began operating in January 2004. The merger created the first truly unified organisation for business in South Africa.

BUSA represents South African business on macro-economic and high-level issues that affect it at national and international levels. Their function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive (BUSA, 2011).

3.13.8. FSA: Forestry South Africa

Forestry South Africa (FSA) is South Africa's premier and largest forestry organisation representing growers of timber in South Africa. The Association's membership includes all 11 corporate forestry companies active in the industry, approximately 1 300 commercial timber farmers and some 20 000 emergent small scale growers who between them own or control no less than 93% of the total plantation area in the country. Given these credentials, FSA is regarded by Government and the private sector alike as being the industry's "representative body".

The Association's structure mirrors its membership with three separate and distinct entities under the umbrella of an overall Executive Committee, namely:

- Large Growers Group: corporate timber farmers
- Medium Growers Group: commercial timber farmers
- Small Growers Group: emergent timber growers

Each of these groups has their own committee structure with proportional representation on the Executive Committee. FSA was granted registration as a Non-Profit Organisation in terms of the Non-Profit Organisation Act (Act No. 71 of 1997), by the Department of Social Development.

One of FSA's founding objectives is to bring the emerging small scale timber grower sector into the mainstream of forestry activities, through membership of FSA. Forestry South Africa's Head Office is situated in Sandton, Johannesburg. A regional office in Pietermaritzburg serves the needs of its KZN members (FORESTRY, 2011).

3.13.9. GSA: Grain SA

Grainsa SA (GSA) was established on 10 June 1999 and was formed out of NAMPO (maize), NOPO (soybeans, sunflower and groundnuts), the WPO (wheat, barley and oats) and the SPO (grainsorghum).

The mission of GSA is to provide commodity strategic support and services to South African grain producers to support sustainability.

GSA is built on three pillars:

- GSA is a voluntary association of grain farmers established to represent the interests of its members.

- GSA wants to be recognised as an autonomous and independent grain producers' organisation. It wants to be involved in all matters bearing on the wellbeing of the industry and to be consulted about policy issues relating to the industry.
- GSA is strongly apolitical and issues are dealt with only on merit and sound business principles without any party political consideration.
- GSA is controlled by farmers for farmers and structured to ensure members' democratic control over their elected office bearers (Grainsa, 2010).



Figure 3.3: Logo and illustration of Grain SA

Source: GSA

3.13.10. Kwanalu: KwaZulu-Natal Agricultural Union

The current transformation in organized agriculture has forced Kwanalu for its own good to take an in-depth look at the justification for its existence or otherwise. The change that agriculture has undergone since 1994, as well as the negative impact it had on financing organized agriculture, now forces organized agriculture to review the 'need to have' instead of the 'nice to have'. One of the realities is the financing of the General Affairs-arm, which is the total responsibility of its members. It cannot be expected from agricultural businesses and industries to finance the general business core, which does not form part of their operational field (Kwanalu, 2010).

3.13.11. Land Bank

Landbank is a specialist agricultural bank guided by a government mandate to provide financial services to the commercial farming sector and to agri-business and to make available new, appropriately designed financial products that would facilitate access to finance by new entrants to agriculture from historically disadvantaged backgrounds.

The Land and Agricultural Development Bank of South Africa has been the leading agricultural financier in South Africa since its inception in 1912. Land Bank offers tailor-made financial services to established and emerging farmers.

Land Bank does not receive any financial subsidy from the government but gets its money from the money markets. It competes with other financial institutions to lend money from the markets which it then lends to clients at market-related interest rates. However, because Land Bank does not pay tax and dividends to the government, it uses that money to support development (LandBank, 2011).

3.13.12. MPO: Milk Producers Organisation

Since taking over the former Milk Board's functions on 1 January 1998, the Milk Producers' Organisation (MPO) has grown into South Africa's foremost industry organisation. The MPO represents and empowers milk producers by rendering a variety of innovative services to and on behalf of milk producers.

The MPO is continuously adapting in order to meet the changing needs of milk producers in a dynamic agricultural environment. The MPO consists of able and skilled staff who are all specialists in their own fields. The democratically elected board of directors plays an important role in the strategic focus of the MPO, as representatives of milk producers.

The MPO focuses on five strategic core functions:

- Market protection and promotion
- Communication

- Technology transfer
- Information
- Protection of member interests (MPO, 2011).

3.13.13. NAFCOC: National African Federated Chamber of Commerce

NAFCOC was formed in 1964 in response to the need by informal black trading organizations to continuously harness their business acumen and business management skills and raise the level of business opportunities awareness amongst their members. NAFCOC has a strong presence and this has as impact when tackling business issues and concerns. The organization's strategic vision has evolved over the years.

3.14 Lobbying and Advocacy

As an organized business movement representing the aspirations of a broad spectrum of business and entrepreneurs, their mandate is clear. NAFCOC promotes enterprise growth and sustainable profitability to enhance job creation, innovation and responsible citizenship. NAFCOC is at the forefront in working with the government and public business agencies to accelerate job creation and economic development (NAFCOC, 2011).

3.14.1. NAFU: National African Farmers Union

NAFU WC also referred to as the National African Farmers Union, Western Cape, was formed in 2003 by members of the previously disadvantaged agricultural communities with the primary objective to transform the Agricultural Sector so that it is representative of the South African society in terms of ownership, control and skills development across the whole value chain of the sector.

NAFU WC is a registered Section 21 Company established with the primary objective to fast track land reform and to promote the interest of black farmers, whether emerging or commercial, in the Western Cape. The organization endeavours to achieve these objectives by facilitating and rendering a wide range of programmes and services for and on behalf of black farmers and other vulnerable groups such as youth, women, people living with disabilities and farm workers. Programmes and services range from capacity building, enterprise development, preferential procurement, farmer support and leadership training, whilst focus is also geared at social development and life skills training. These interventions should result in equitable access to and meaningful transformation of the agricultural sector in general.

NAFU WC firmly believes that equitable land transformation and ownership, skills development and employment equity are key requirements for meaningful economic empowerment and social transformation in the agricultural sector, and can lead to sustainable growth and wealth creation for all stakeholders. It therefore aims to facilitate and implement relevant land reform projects and training programmes that will enable its beneficiaries to participate in and benefit from empowerment initiatives across the value chain, the Score Card and the Codes of Good Practice of the BBBEE Act. The outcome of these interventions must be meaningful and sustainable employment and potential entrepreneurial development, as well as redressing the social context in which the organization is operating in. NAFU WC's interventions have a clear bias toward black emerging and commercial farmers in the Western Cape, with specific reference to women and youth, whilst also ensuring that the agricultural aspirations of people with disabilities are taken into account. The organization includes life skills training and community development simultaneously with vocational skills training as an integrated approach to skills development, and thereby ensuring a holistic response to skills development, poverty alleviation, food security and job creation.

NAFU WC has already initiated a number of successful projects ranging from developing a data base of black emerging farmers, capacity building, leadership support, social inclusion and networking. It

has established working relationships with key role players such as the Land Bank, National and Provincial Government departments, para-statal institutions and international organizations. It also provides support to its members and affiliates in relation to organizational development, infrastructure and operational resources.

NAFU WC represents a large number of black emerging farmers operating in the agricultural sector and has successfully established relationships with all relevant stakeholders in the sector. It has also formed strategic networks and alliances with progressive institutions and service providers with whom it cooperates and is supported by to ensure the successful implementation of its programmes and to achieve its objectives. It has also successfully engaged and received support by the National and Provincial Department of Agriculture, Labour and Economic Affairs, as well as international organizations.

NAFU WC has appropriate skilled and knowledgeable staff in the respective fields of operation of the organization, and who are committed to the implementation of the organization's programmes so as to ensure that it, together with other relevant stakeholders and partners achieve the objectives of government. They complement each other with their different educational and practical skills and competencies ranging from organizational development, community capacity building, economic development facilitation, financial planning, administration and skills development facilitation. The organization through its structures has direct access to relevant employers, services providers and beneficiaries that it targets (NAFU, 2011).

3.14.2. RPO: Red Meat Producers' Organisation

The Red Meat Producers' Organisation (RPO) is a service organisation that acts as a mouthpiece for South African commercial red meat producers, and promotes sustainability and the profitability of the red meat industry in South Africa.

It is an independent producer's organisation that strives to dynamically promote the sustainability and the profitability of the red meat industry in South Africa. Their mission, namely the promotion of a sustainable and profitable red meat industry in South Africa, is operationalised through their bargaining and consultation with government and other organisations in order to further the interests of the red meat producer, locally as well as internationally (RPO, 2011).

3.14.3. SAMIC: South African Meat Industry Company

SAMIC is a quality assurance company which was created by the Red Meat Industry of South Africa to ensure the quality and safety of meat in South Africa. SAMIC believe in world class standards of quality audits, inspections and outstanding service performance.

- The National Department of Agriculture appointed SAMIC as Assignee for the purpose of the application of sections 3(1)(a) and (b) and 8 of the Agricultural Product Standards Act (no 119 of 1990) with regards to the classification and marking of meat intended for sale in the Republic of South Africa. The SAMIC coordinators operating across the country perform this duty with full commitment to consumers, farmers, abattoir owners and meat traders to always ensure 100% integrity in their products – beef, lamb and pork. It is therefore important that no fraudulent activities go unpunished and that the playing field stays level.
- They do independent 'Brand' auditing on trademarks at farms, feedlots, abattoirs, deboning plants and outlets. These trademarks are all registered at the National Department of Agriculture.
- They do independent hides and skins audits on behalf of the National Department of Agriculture for export purposes at abattoirs, intermediate stores as well as at harbours.
- They assess meat classifier students to become qualified meat classifiers.
- They undertake independent inspections at all abattoirs, meat traders, imported meat and hide and skins plants for Red Meat Levy purposes.
- In addition, they hold and judge national carcass competitions to demonstrate to producers what the market requirements and consumer demands are (SAMIC, 2011).

3.15. Conclusion

The chapter started with the historical background on the land issue. Different Acts of Parliament passed over decades dedicated to land holdings affected all parties. The current land settlement directorate mandate was highlighted. The land reform scenarios were discussed including the land reform politics which affect progress in most areas since the process started.

Training was identified as key to make the land projects a success and the development of women was also highlighted as key to drive development and sustainability in rural areas.

All the trading challenges, if not addressed urgently, will make it difficult for any new emerging black farmers in South Africa to remain in business, notwithstanding being land beneficiaries. A radical transformation of the structural factors is urgently needed. Intervention by the South African government and private sector, including state agencies, will achieve limited gains for the rural poor in small scale farming.

The chapter concluded by listing industry bodies that some of the land beneficiaries trust or CPAs have joined or are intending to join. There are many organizations tackling different matters which might have an influence on emerging farmers. These bodies range from forestry, training, meat producers, business organizations etc.

CHAPTER 4: RESEARCH METHODS

4.1. Introduction

This chapter discusses the research methodology that was adopted. The population and sample is discussed and the measuring instruments used to analyse data described. The other methods used are also considered in this chapter.

4.2. Statement of research problem

Land reform projects as LED contributors: KwaZulu-Natal case studies study topic drives the research project. The sustainability of rural community projects is the major challenge confronting the developmental aspirations of the government and private sector. It is evident in most cases that community projects are not sustainable.

4.3. Research objectives

Some of the research objectives to be answered include among others:

- What are the key areas that make land reform projects important to the community?
- What are the experiences with regard to accessing funding and which institutions provide funding when land reform projects are started?
- From the date of inception what factors may potentially contribute to successful land reform projects?
- In what ways may land reform projects be expected to contribute to capacity building of community members and to contribute to Local Economic Development initiatives?
- Do land reform projects contribute to Local Municipality Integrated Development Programs?
- In what ways may land reform projects be expected to contribute to the KwaZulu-Natal Spatial and Economic Development Strategy and Industrial Development Strategy?
- How are youth, disabled and women's empowerment issues addressed in the design of land reform projects and how are these issues addressed in the implementation of land reform projects?

4.4. Research Design

4.4.1. Population

According to Nel, Radel and Loubser (1994) a **population** is the total number of persons or institutions which are potential sources of the required data. The researcher used a database of land restitution farms in KwaZulu-Natal provided by the department (see Annexure F). There are approximately 50 farms that have been transferred to communities in KwaZulu-Natal through state land programmes.

4.4.2. Sampling

Sampling is the selection of the elements in a population (Cooper and Schindler, 1998). Conclusions about the total population can be reached from the sample. Of the total population of 50 farms, a survey sample of 5 commercial community land reform projects was selected. The first two projects are those that the researcher assists with to make their business operation viable and sustainable. These represent convenience samples. The other three were randomly selected from the list, but with the restriction that only projects north of the Tugela River were selected. The research questionnaire was sent to all project managers.

4.4.3. Methods

Qualitative research methods were used to collect information from farm operation managers, supervisors, board of director members and community trustee members. Questionnaires were supplemented with interviews to verify information. Part 1 of the questionnaire was completed by the farm operations managers. Part 2 was used during the semi-structured interviews with a sample from each designated group.

See Annexure A for employer approved letter and Annexure B for communitys' approval letters. Annexure C shows the letter used to introduce the researcher to potential interviewees and Annexure D the questionnaire used in the study.

4.5. Data Collection

The data was collected using part 1 of the questionnaire for project managers and part 2 for semi-structured interviews with project supervisors.

4.6. Data Recording and Analysis

4.6.1. Checking in procedure

This procedure involves the checking of all returned questionnaires for completeness and a count of the usable questionnaires. According to Gilbert and Churchill (1995), "the basic purpose of checking is to impose some minimum quality standards on raw data".

4.6.2. Editing

Editing involves the review of the questionnaire for accuracy and precision (Dillon, Madden & Firtle, 1990). This was performed.

4.7. Ethical Consideration

The introductory letters as attached (Annexure C) covers the ethical clearance. The research has also complied with the University of KwaZulu-Natal Ethical Clearance Guidelines. The letter of approval was issued confirming that the researcher can proceed with the research project (see Annexure I).

4.8. Limitations of methodology

Any research dealing with human beings is accompanied by problems and research must try at all costs to avoid such problems or to minimise their effect on the research findings.

The following problems were encountered:

- Not all operational managers were available at the time agreed initially. Some were held up by urgent operational matters to address.
- Respondents were initially worried, more especially the supervisors whether their jobs will be at stake after completing the questionnaire.
- Other operational managers thought the researcher is a private investigator employed by government.
- Initially during the interview meetings, the respondents were not willing to disclose the financial position of the project.
- Not all financial statements were audited or readily available to access.
- There were many other matters that the operational managers were handling which affected their attention in some instances.
- Interviews were at some stages interrupted, which necessitate further interviews to be held off-site to have better attention.

4.9. Conclusion

This chapter discussed the research methodology used in the research process. The population and sampling were discussed, regarding how the respondents were chosen. The data processing methods, i.e. check in procedures, editing, coding and data transformation used, were described. The data analyses, statistical analysis and interpretation method used were discussed. The full data analyses will be performed in the next chapter.

CHAPTER 5: FINDINGS AND ANALYSIS

5.1. Introduction

The land reform area holds key to the success of South African achievements of the developmental goals as the developmental state with a mix economy. In most cases, land reform projects are rural based where community members have limited information and access to resource. The land where all this projects resides has huge potential to unlock developmental growth for rural communities and South Africa in particularly. As the study is based in KwaZulu-Natal which is more rural based compared to other provinces and also with high population.

There are more land reform projects and Communal Property Associations in KwaZulu-Natal than any other province. Therefore, the government has more challenges to make sure that the majority of those projects are sustainable and profitable to protect food security more importantly.

There research data collection has been a challenge to collect as projects are located in different district kilometers apart from each other and the operational understanding of managers differs. The role of key stakeholders has not been explained thoroughly in most cases before the commencement of the project business initiatives.

This chapter summarises the survey results and data, and these are then analysed in detail. The research data analysis needs to answer the main research objectives as intended initially to arrive at a conclusive argument on whether land reform projects are contributing to the LED in KwaZulu-Natal.

The research data was collected through a questionnaire and personal interviews conducted with operations managers and supervisors of the land reform projects in KwaZulu-Natal.

5.2. Survey Results

The list of respondents was selected from the list provided by the KwaZulu-Natal provincial list of farms handed over to beneficiaries. See attached Annexure F for the detailed list of farms per district.

5.2.1 Managers/Operators Interviews

The researcher interviewed eight (8) managers / operators employed to manage different land reform projects. Figure 5.1 below shows the age profile of the project managers.

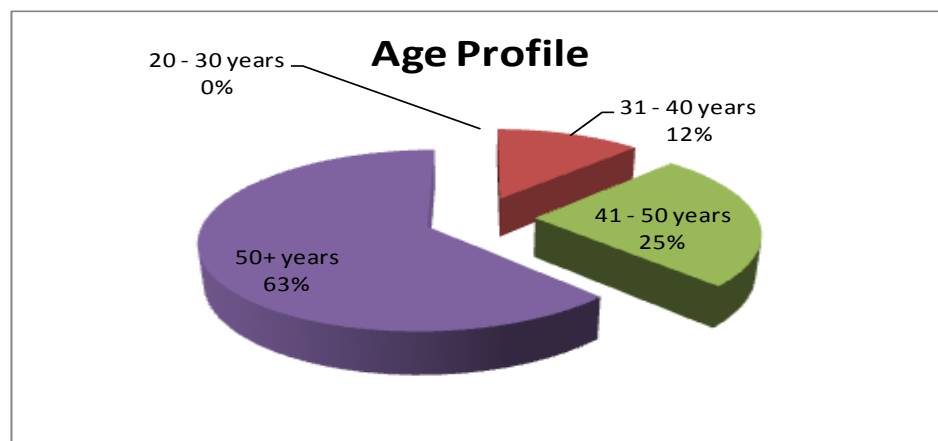


Figure 5.1: Manager's age profile

Source: Research survey

It is evident from the figure above that no manager is below 30 years of age, while 12 per cent range from 31-40 years, 25 per cent ranges between 41-50 years and 63 per cent are over 50 years. The trend poses a challenge in the next decades if current managers aren't grooming younger managers from the 20 to 30 years old group. The current majority of managers are old. See attached Annexures G & H for full questionnaire input data.

The managers of community businesses came from different educational backgrounds. The majority, i.e. 50 per cent of managers had matric (currently grade 12) qualifications. The challenge is whether they will be able to grasp business concepts and have sufficient understanding to be able to operate

efficiently within a short time period. The balance have a 25 per cent equal split between post matric and diploma or degree qualifications. All of the managers are part of the community, i.e. also land claim beneficiaries. The study has not been able to assess managers' performance management system by the authorities, i.e. board of trustees or board of directors. The figure below shows operational managers qualifications.

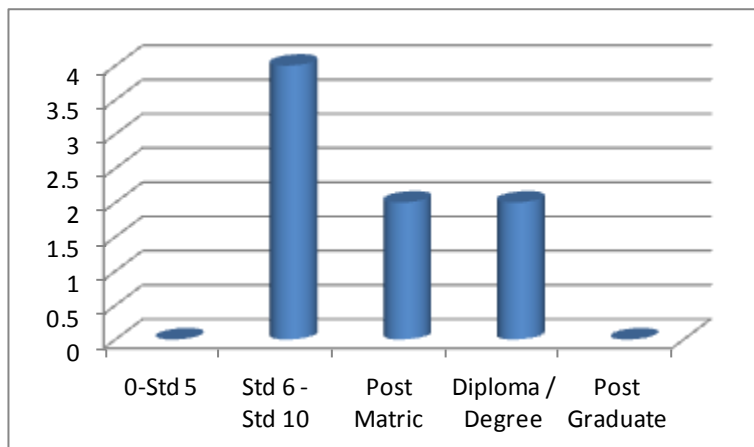


Figure 5.2: Operational manager's qualifications

Source: Research survey

Job experience also plays a key role in the managers operational performance. Figure 5.3 below highlights that 63 per cent have less than 5 years experience and 37 per cent have less than a year experience. There's no manager who has more than 5 years operational experience managing their project.

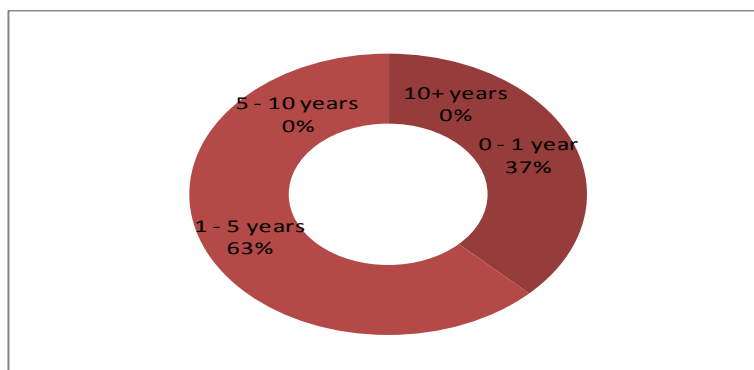


Figure 5.3.: Managers operational experience

Source: Research survey

The number of years on the job coincide with project existence. Most of the land reform projects researched have been managed by the community leaders for less than 5 years. Prior job experience is depicted in the figure below where 80 per cent of the managers come from an education sector background. Only 12,5 percent have been managing businesses prior to joining the community business whilst 12,5 per cent have been working in the financial sector.

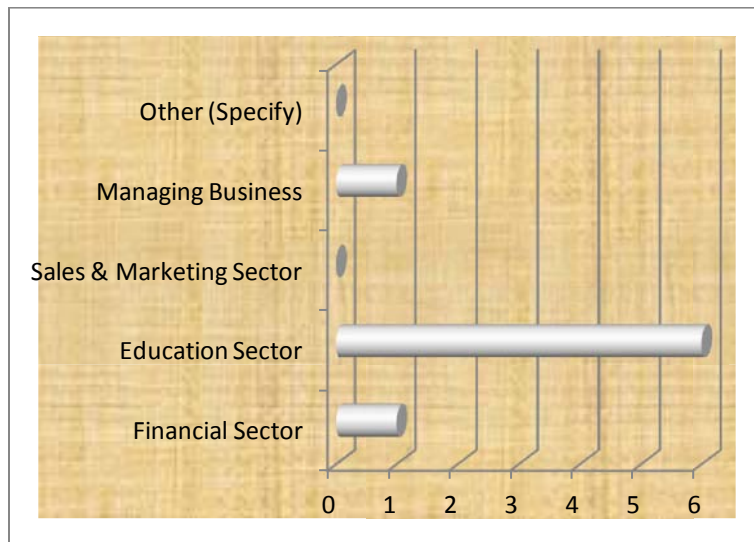


Figure 5.4: Manager's work experience

Source: Research survey (2011)(KZN, Matsho – Researcher)

The time spent on site has an influence on how the workers output may be managed by the managers. Not all managers spend an equal time on site with the supervisors and general workers. The community rural projects require managers who are hands-on and understand basic business principles. Most of the work on site such as safety talks and on site inspection of equipment before an operation is commenced, is done by the supervisors. Figure 5.5 below shows that the time spent on the project by most of the managers varies, while 37 per cent spend between 6am and 1pm on site. It's evident that projects require a leader, either manager or supervisor, to be on site early in the morning.

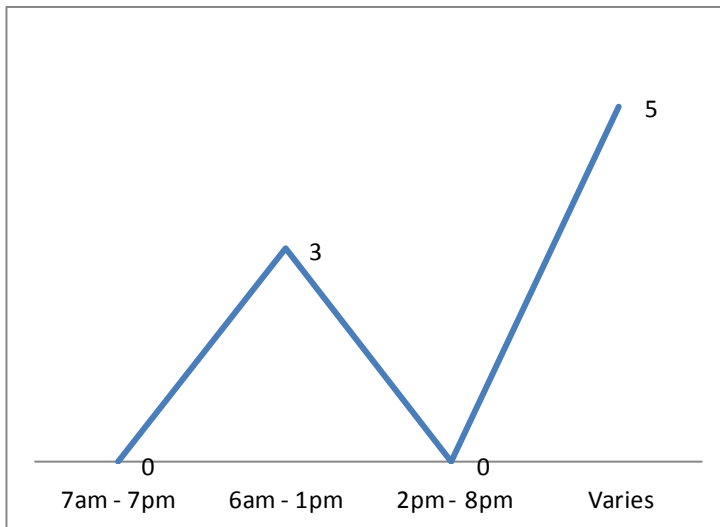


Figure 5.5: Time spend on site

Source: Research survey

As the business grow it may be expected that the operations managers will be required to spend more time on site. There's perhaps no major challeng to spending less time on the project during the initial stages of the project as the manager is able to do all or most of the administrative work pertaining the whole business.

5.2.2 Supervisors Interviews

The section covers the twenty-four (24) supervisor respondents to the questionnaires. The analysis of data input from supervisors (See Annexure G) was on open ended questions. A summarised system was used to capture the respondents' core feedback. All the means were done in order not to lose the answers' main contents.

The data analysis for part 2 for the full detailed report is attached (See Annexure H). The table below shows the frequency for the importance of the project to the community.

Table 5.1: Project Importance

| What are the main key areas that make this project important to the community? | | | | |
|---|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Poverty alleviation | 8 | 33.3 | 33.3 | 33.3 |
| Provide jobs | 8 | 33.3 | 33.3 | 66.7 |
| Social security | 3 | 12.5 | 12.5 | 79.2 |
| People working for themselves | 4 | 16.7 | 16.7 | 95.8 |
| Sustainable project | 1 | 4.2 | 4.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Source: Research survey

It's clear that the provision of jobs and poverty alleviation accounts for 66 per cent of the total respondents, while sustainability only accounts for 4.2 per cent. That is evident as the respondents were supervisors compared to operational managers who might have viewed project sustainability differently.

Finance is critical to the project success as not all financial institutions are prepared to lend money to new entrants without any track record of the specific industry. Table 5.2 depicts how assets were financed.

Table 5.2: Project assets financed

| How are the equipment used in this project financed? | | | | |
|---|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Loan | 13 | 54.2 | 54.2 | 54.2 |
| Lease | 10 | 41.7 | 41.7 | 95.8 |
| Cash | 1 | 4.2 | 4.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Source: Research survey

The land reform mostly financed the assets through loans which account for 54.2 per cent, lease for 41.7 per cent and also cash account for 4.2 per cent. The cash finance is from cash generated through operation. No grants have been paid by the Department of Rural Development and Land Reform for projects accessed. Access to finance was also not easy for al projects.

The land reform project contributes differently to community members as shown in figure 5.6 below.

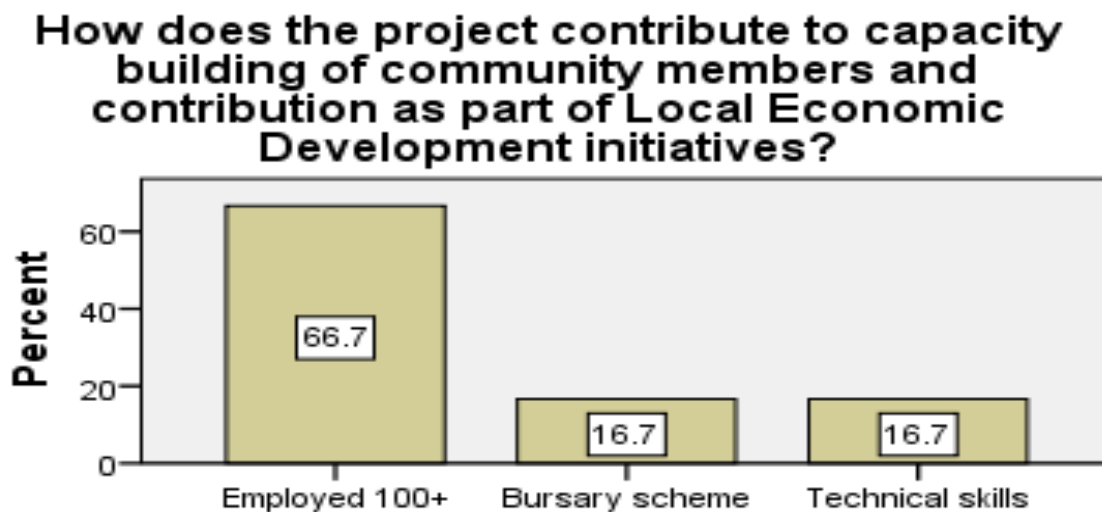


Figure 5.6: Project contribution

Source: Research survey

The success of the project depends on different aspects and also the project type is influenced by its own environment as well. Table 5.4 below highlights the drivers of project success since inception.

Table 5.3: Project drivers

| What drivers the projects to be successful to date since inception? | | | | |
|---|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Support from corporate | 9 | 37.5 | 37.5 | 37.5 |
| Mentor support | 10 | 41.7 | 41.7 | 79.2 |
| Trained trustees | 2 | 8.3 | 8.3 | 87.5 |
| Support from beneficiaries | 3 | 12.5 | 12.5 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Source: Research survey

The availability of a dedicated mentor is critical to assist the business operations' managers and supervisors during the initial years of existence. The table highlights that 41.7 per cent acknowledge the service of a mentor and 37.5 per cent cite corporate support.

In the current land reform transfers, government is using Communal Property Associations (CPAs), which are governed by the Communal Property Associations Act of 1996 (Act No. 28 of 1996). "The CPA Act imposes a variety of obligations under the Director-General and the Minister throughout the establishment process and life of a CPA. Some of these include the monitoring of compliance and the submission of annual reports to the Minister and Parliament (DRDLR, 2011)".

There are 1,500 registered CPAs in the country. To date 1,200 CPA and provisional associations have been registered while a further 300 are recorded separately as they have been in existence for less than 12 months. The table below shows the spread of the registered CPAs in South Africa.

Table 5.4: Registered CPAs in South Africa

| Provinces | Numbers |
|------------------|----------------|
| Eastern Cape | 124 |
| Free State | 37 |
| Gauteng | 28 |
| KwaZulu-Natal | 266 |
| Limpopo | 108 |
| Mpumalanga | 191 |
| North West | 105 |
| Northern Cape | 52 |
| Western Cape | 14 |
| Total | 925 |

Source: DRDLR (2011)

KwaZulu-Natal accounts for 29 per cent and the highest number of registered CPAs per province.

KwaZulu-Natal summary of compliance as per the report as follows (DRDLR, 2011):

- Of the 266 CPAs in KwaZulu-Natal, none were found to be compliant.
- No CPAs provided financial statements and not one CPA held an AGM.
- 173 special meetings were held in the 2009/2010 period.
- 167 CPAs had committee members' lists, while 89 saw changes in membership.
- In this time, there were three land transactions

Critical to the success of CPAs is adherence to their Constitutions. In accordance with their Constitution, and with the CPA Act, CPA members have the responsibility to meet. Fulfilling these responsibilities is key to achieving a status of compliance and discharge of fiduciary duties accordingly. The CPA Act requires CPAs to provide, amongst other information, membership lists, audited financial statements, minutes and transactions with third parties.

The findings on CPAs as per the department include the following (DRDLR, 2011):

- “Based on responses received from CPA interviews thus far, it is abundantly clear that there is non-compliance of the CPAs with the CPA Act and regulations. Chief among the reasons for this is lack of knowledge of obligations placed on to the CPAs by the CPA Act, regulations and their own Constitution.
- More often than not, infighting amongst CPAs is caused by Committee Members’ misuse of a CPA’s money and property for individual and selfish gain, which includes the taking of decisions without the other members concerned.
- It’s been found that with some CPAs; only one Member is involved in managing the affairs of the CPA, while others Members are not informed of any of the CPAs activities. In other instances, only a few CPA members were aware of the business transactions. Where such entities were confronted, the individuals refused to hand over CPA documents.
- Despite the fact that the violations of the Constitution of the CPA are being reported by other Members of the CPA to the Department and District Offices, officials were falling short in resolving issues.
- It was found that there are often continuing struggles for control and management of the CPAs between CPA Committees and Traditional Authorities. As a result, some CPAs cannot hold meetings without the permission of a Traditional Authority in its area of jurisdiction.
- There is prevalence of fighting amongst CPA Committee Members for control of CPAs and access to resources. This is noticeable when a particular CPA committee’s Term of Office has come to an end.
- Sometimes conflict amongst CPA Members becomes so serious that some end up resorting to dividing the land so that they do not have to work together.
- There are some White Farmers (mainly previous land owners) who are using the CPAs land without any arrangement with the CPA.
- CPAs are unable to work on their land in a productive and profitable manner due to lack of funds. In the majority of cases, lack of funds is caused by Balances of Grants (BOGs) not yet released by the Department. Where there are no BOGs involved, those CPAs lack skills to raise sufficient funds to run their businesses.

- All CPAs, in one way or another, need assistance from government in the form of funding, capacity building/skills development and mentorship in order to be able to run their businesses in a profitable and efficient manner.
- Most CPAs consist of Committee Members whose levels of literacy and numeracy are too low. This becomes a challenge in terms of a CPA's ability to run its affairs in the manner expected of it".

According to Benjamin *et al.* (2009), "One area of concern has been that the people on farms receive little legal assistance to help them claim their right and be protected from arbitrary evictions and other transgressions". The uncertainty of security has also had an impact on the productivity of workers on different land reform projects across the province.

The experience of beneficiaries differs from project to project. There are those that have been in business operation within the SMME environment before the land was transferred and those who were just employees on a farm. The transition from one phase to the other phase also differs in time frame depending on the skills and development of managers and supervisors in charge of each project.

The research highlighted the following findings pertaining to the land reform projects as a contributor to LED in KwaZulu-Natal.

- Not all CPAs registered are land reform projects
- Not all projects' operational managers have business/financial skills and experience
- The projects can create sustainable jobs for the local community members
- Not all land beneficiaries are business persons/entrepreneurs which may lead to most of the failures observed
- It's difficult for the new entrants to fully participate and be efficient within the first three years of operation
- The majority of the projects had difficulty in accessing funding to recapitalize the projects
- Misunderstanding or infighting among beneficiaries, including committee members, delays progress of the projects

- Conflict of expectations between community members occurs with regard to what the project can produce in terms of tangible benefits for all community members
- There is a lack of government officials to exercise proper oversight in terms of the Communal Property Act
- There is interference by government officials who provide advice to community members about business ventures they (i.e. officials) have never operated or have no experience of at all
- There is a lack of government officials with sector specific industry expertise to advice community leaders appropriately
- There is a lack of understanding by community members of other legislation that affects the land and their business existence (*e.g.* the Mining Act, National Environmental Management Act, Resource and Development Act, *etc.*)
- There is limited understanding of the following Acts which impact on the business operation: Basic Conditions of Employment Act, Employment Equity Act and Labour Relations Act

The development of youth, disabled and women is critical to engage all stakeholders within the project. Table 5.5 shows how the targeted or designated groups benefit.

Table 5.5: Designate group benefits

| How have the youth, disabled and women's empowerment issues been addressed in the design of your project and how is it being addressed in the implementation of the project? | | | | |
|--|-----------|---------|---------------|--------------------|
| | Frequency | Percent | Valid Percent | Cumulative Percent |
| Bursary provided | 5 | 20.8 | 20.8 | 20.8 |
| Internship provided | 6 | 25.0 | 25.0 | 45.8 |
| SCI Projects | 13 | 54.2 | 54.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Source: Research survey

The designated groups benefit from some form of SCI – Social Community Investment (54.2%), bursaries (20.8%) and internship (25.0%). The challenge posed is whether these good investments will be sustained for a period until learners graduate.

The projects intentions are to assist the local municipalities in achieving LED objectives. Figure 5.7 highlights IDP importance. It's a clear 100 per cent majority that the projects support municipality IDP objectives.

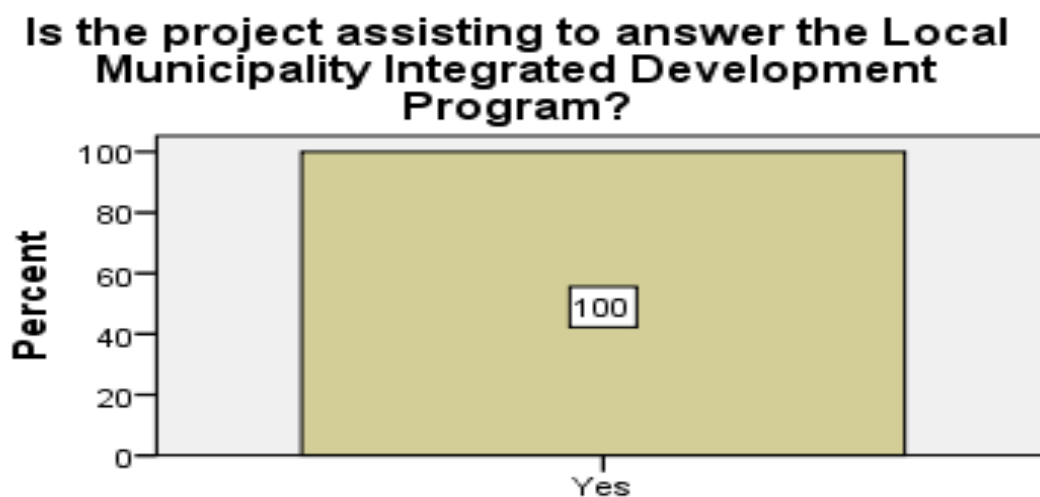


Figure 5.7: IDP Importance

Source: Research survey

The respondents see the projects in the next five years growing to new phases as depicted by Figure 5.8 below.

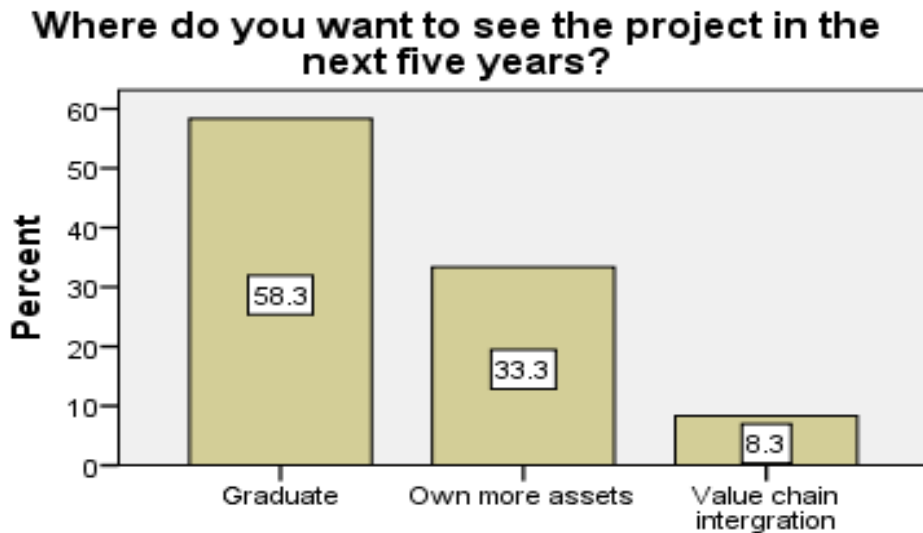


Figure 5.8: Project projected phase

Source: Research survey

It is projected that in order for the projects to grow, the following phases are desirable:

- Graduating – surpass the current SMME environment to a higher level
- Asset acquisition – increase assets for the trust in a form of extra vehicles, land and favourable bank balances
- Value chain integration – project moves to own other value chain businesses like transport and manufacturing of final products from the raw materials they produce

It is projected that at the time (i.e. five years) from now, the economic conditions will be different. At that time, it is expected that the sponsored bursary recipients should have completed their studies and then contribute back to the community projects. There should be new trustees with acquired skills to be able to negotiate good terms and conditions on behalf of the community. The majority of the initial assets financed through loans should have been settled.

5.3. Projects Case Analysis

The figure below depicts a typical land reform forestry farm handed over to the local trust. The figure below shows the aerial view of Ogwini Community Trust Farm in Vryheid. The critical analysis of Ogwini Community Trust Farm is done in conjunction with the assessment and evaluation of other land reform projects, i.e. KwaZiqongwana Community Trust and Siyathokoza Community Trust (See Annexure I).



Figure 5.9: Ogwini Community Trust Farm

Source: Research survey

The section below analyses a project case; that of Ogwini community trust. Highlighted are the key business imperatives of this community business as a viable land reform project. The property is situated in KwaZulu-Natal and the closest towns to the farm are:

- Nongoma : 62 km
- Louwsberg : 44 km
- Vryheid : 57 km

The farm lies within Abaqulusi Local Municipality and the Zululand District Municipality which is the designated Presidential Poverty Node. The property is divided into four blocks which are commonly known as **Lee** (Misty Valley Portion 1), **Misty Valley** (Misty Valley Portion 0) and **Khambi (Uitzicht** Portion 5 and **Tovernaarsrust** portion 3). The property has two perennial springs. There are two

dams on the property which are supplied by a good catchment area and a perennial spring. The eastern dam has a capacity of 14 000 cubic meters and was previously used to irrigate the land along the wetland opposite the nursery site. The western dam has a capacity of 24 500 cubic meters.

Ogwini Community Trust Farmers will be farming with forestry, livestock (cattle and goats) and vegetables. Vegetables will be produced through conventional tillage. Only tomatoes will be produced in tunnels. The farmers will also farm cattle and goats. Tunnels will be erected to produce tomatoes throughout the year. Ogwini Community Trust Farmers will also continue with timber production. The trust will also establish a home garden for food security in future.

5.3.1. The Company/Trust

Ogwini Community Trust farmers are the owners of the forest properties bought from Mondi through Land Reform for Ogwini Community. The community will continue with the timber production in partnership with Mondi.

In addition they will establish home gardens for food security and income generating projects on vegetable production. They will also integrate cattle farming with forestry to utilise the open land and wetland areas.

5.3.2. Products

Ogwini Farmers plan to concentrate on vegetables as their primary product. This includes growing green mielies, onions, butternut, potatoes, tomatoes, cabbage, *etc.* The trust's farm will have a capacity sufficient to produce quality vegetables for the local and provincial markets.

The trust plans to utilize conventional tillage and more advanced plant technologies to produce tomatoes in tunnels. This strategy will allow farmers to produce tomatoes during most of the year.

The other operation on the farm will be timber production, goats and cattle production.

5.3.3. The Market

The market is very big and extends across the rural and developed areas of the province and the country; it comprises:

5.3.3.1. Beef

- Commercial market, e.g. abattoirs.
- Individuals who buy for traditional and ritual ceremonies.
- Other farmers who feedlot and sell.
- Sale yards, organized by farmers associations.
- Local supermarkets, shops spaza shops etc.

5.3.3.2. Hydroponic Vegetable Production (tomatoes)

- Local supermarkets and fruit & vegetable shops
- Informal Traders for reselling
- Individuals for home consumption

5.3.3.3. Timber Production

- Timberland has been leased to Mondi

5.3.3.4. Goats

- Individuals who buy for traditional and ritual ceremonies

The process to be followed once the claim is finalized in order to promote the business viability of any of the rural projects included among the phases:

- PRA: Participative Rural Appraisal
 - All community members including different sectors, i.e. youth, women, elders, traditional authority and others to be engaged according to their needs
 - Each group will come up with different business and social needs to be addressed by the trust or local municipality
 - The information gathered will assist the business plan developers to understand the social and psychographic profile of the community

- Land Use Plan
 - This process will assess the soil types of all farms to advise the community as to which business to engage in; such as commercial vegetable farming, tree farming, game farming, *etc.*
- Business Plans.
 - A detailed business plan to be compiled once the land use plan information is available
 - The soil type needs to be inline with the intended business plan purposes
- Action Plan
 - Detail an itemized action plan per project to be implemented by the Trust and operational managers

The table below shows the detailed grazing potential for the area, should the community decide that they would like to engage in commercial cattle farming.

The table bellow shows the detailed grazing potential for the area, should the community decide that they would like to engage in commercial cattle farming.

Table 5.7: Veld assessment grazing potential

| Block Number | MISTY VALLEY Portion 0 | MISTY VALLEY Portion 1 | TOOVENAAR SRUST Portion 3 | UITZICHT Portion 5 | Total Hectares | Veld Category | Grazing Capacity Ha per AU | Potential Herd Size |
|---------------|------------------------|------------------------|---------------------------|--------------------|----------------|---------------|----------------------------|---------------------|
| 1 | | 45 | | | 45 | 2 | 0 | 0 |
| 2 | | 11 | | | 11 | 2 | 5 | 2 |
| 3 | 71 | | | 27 | 98 | 2 | 5 | 20 |
| 4a | 37 | | | | 37 | 3 | 5 | 8 |
| 4b | 12 | | | | 12 | 3 | 5 | 3 |
| 5 | 65 | | | | 65 | 4 | 4 | 16 |
| 6 | 22 | 56 | | | 78 | 4 | 4 | 19 |
| 7 | 76 | | 7 | 28 | 111 | 5 | 4 | 32 |
| 8 | 64 | 158 | | 20 | 242 | 6 | 3 | 81 |
| 9 | | 11 | 9 | | 21 | 7 | 3 | 7 |
| 10 | 77 | 127 | 50 | 62 | 317 | 0 | 0 | 0 |
| Total: | 422 | 410 | 67 | 137 | 1036 | | | 188 |

Source: Ogwini (2011)

5.4. Market Analysis

Each community business's owners and managers must conduct a market analysis for each product in which they want to invest their resources. The price of agricultural produce varies according to fluctuations in supply and demand. Primary agriculture contributes about 2.5% to the gross domestic product (GDP) of South Africa and about 8% to formal employment. South Africa has a dual agricultural economy: a well-developed commercial sector and a predominantly subsistence sector. The Government of SA is supporting the subsistence sector through an Integrated Food Security and Nutrition Programme that aims to eradicate hunger, malnutrition and food insecurity by 2015. Approximately 6 390 vegetable gardens have been established in KZN.

KZN Provincial government has set aside R45-million in its 2009/10 budget to boost food security. The government of Flanders (Belgium) assists the province in the roll-out of this programme. Aspects of the programme include:

- Crop Massification (dry beans and maize)
- Sugar Cane Fertilization Scheme
- One Home, One Garden Campaign
- One Village, One Commodity Campaign

Nearly 80% of agricultural land in South Africa is mainly suitable for extensive livestock farming. The livestock sector contributes up to 49% of agricultural output. By mid-2007, there were 13.5 million cattle, 24.9 million sheep and 6.4 million goats. South Africa normally produces 85% of its meat requirements, while 15% is imported from Namibia, Botswana, Swaziland, Australia, New Zealand and Europe.

As the result of government policies for big businesses to support SMMEs and Empowerment groups, we have the opportunity to gain tenders, contracts and be able to supply the following:

Hospitals; Schools; Exporters; Wholesalers; Prisons; Municipalities; Old Age Homes; Shopping Centres; Hawkers; Airlines; and many more.

Community managers are able to secure contracts first before investing in business ventures, unless the project is managed for food security, i.e. consumption by the community.

The following section summarizes the main SWOT analysis of projects visited during the research project. Table 5.8 summarizes the SWOT analysis.

The following section summarizes the main SWOT analysis of projects visited during the research project. Table 5.7 summarizes the SWOT analysis.

Table 5.7: SWOT Analysis

| | |
|--|---|
| | |
| Strengths | Weaknesses |
| Basic Business Establishment Skills. | Lack of funds to establish and develop intended agricultural enterprises. |
| Basic Management Skills. | Need to gain experience and expertise in total farm business management. |
| Members of the trust are committed to collectively working together. | |
| Our prices will be very competitive. | |
| | |
| Opportunities | Threats |
| Black economic empowerment advantages | No fixed contracts for vegetable produce |
| Skills for community members | Theft (livestock and timber) |
| Job Creation | Animal diseases (cattle and goats) |
| Better quality of life | Diseases on vegetables |
| | Veld fire |

Source: Research survey

The trust will address the weaknesses as follows:

- The trustees must be given intensive training on business
- The business plan assists the trust in raising the finance necessary to establish and develop the business

The threats will be addressed by ensuring that:

- The trust secures market contracts and agreements for business ventures
- The service of a veterinarian must be secured
- Fire management principles must be adhered to
- Spray programmes on vegetables will be adhered to

The community business must have a competitive edge to be sustainable. Some of the competitive edge already in place:

- Well established market for sugar cane and timber
- Efficient production utilizing greenhouses
- On- going support from previous land owners on agricultural technical knowledge
- Guaranteed income from rental by private sector

5.5. General Management Aspects

The rules and regulations to manage a trust differ from the governance of a conventional business entity. The trustees in most cases operate a separate legal entity, i.e. company to trade. The trust/CPA is used to hold the community assets like land, but not to trade operationally.

The land owners/beneficiaries then elect the Board of Trustees (BOT) which is responsible for the policy formulation and overall governance of the farm business. The BOT will form the company, i.e. (Pty) Ltd. The company will have a Board of Directors who are democratically elected to deal with strategic management issues and financial responsibilities. The Board of Directors will then appoint a Farm Manager who will be responsible for the day to day operations of the farm. The Farm Manager will appoint the mentors who will provide on-the-field practical training, specifically on timber production, livestock (cattle and goats) production and vegetable production. The Department of

Agriculture, Environmental Affairs and Rural Development will play an important role in providing extension support service through CASP and otherwise. The company is managed under the Company Act 62 of 1969. All requirements of the Act must be complied with by the manager and the board of directors.

The structure below shows a typical community structure.

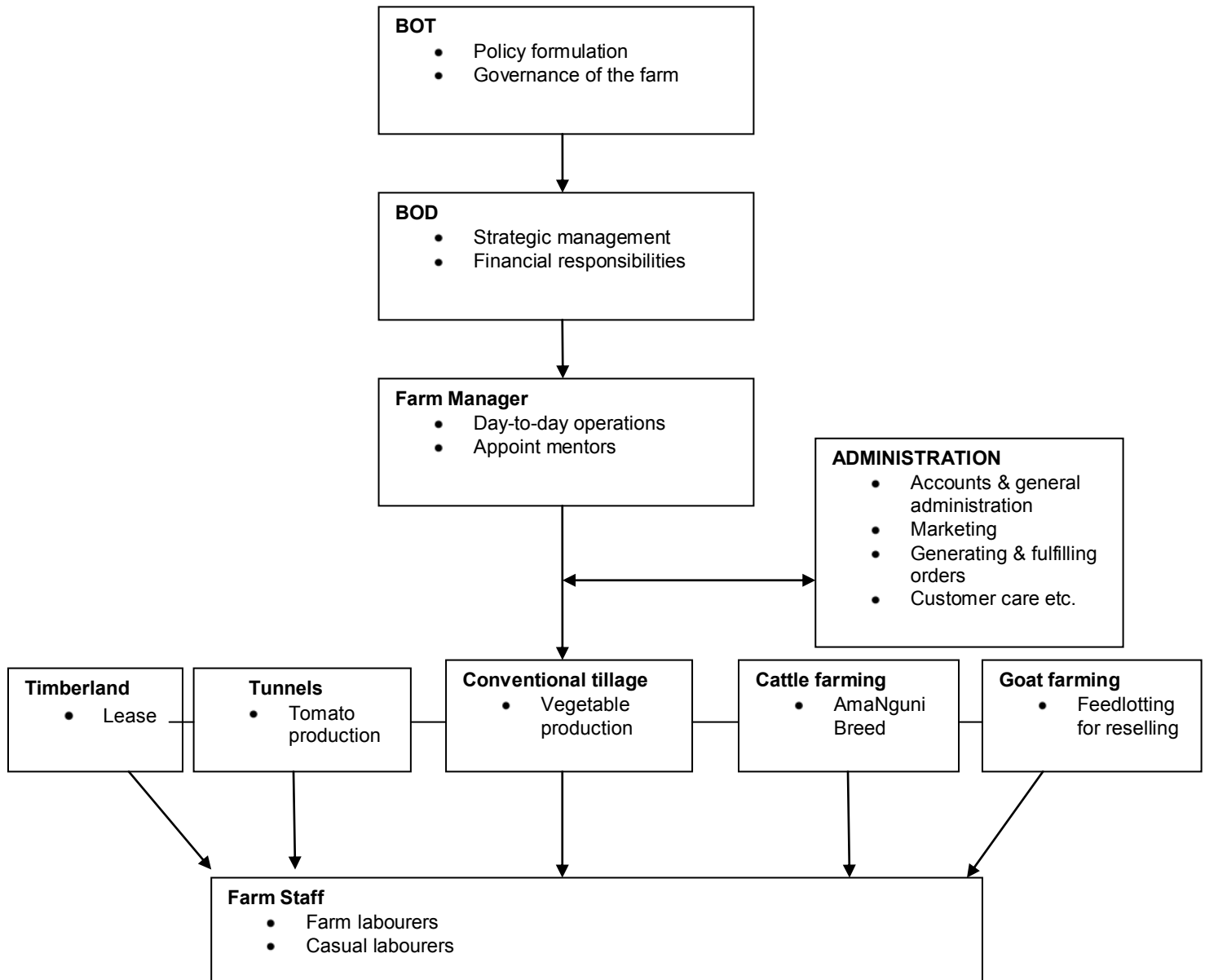


Figure 5.10: Community Structure

Source: Research survey

The business units will either be combining commodities, e.g. Cattle/goats, tunnels/conventional tillage or separate them. The size of the operation dictates how many business units and managers are needed.

5.6. Training – Technical Knowledge

A certain degree of knowledge is imperative for the successful management of a farming enterprise. It is recommended that training needs of applicants be identified and addressed, and if possible a well capacitated mentor be employed for support in the initial phases of development, planning and implementation of this plan.

Training needs can be identified through active participation by beneficiaries in meetings. Training requirements could be, in no particular order, as follows:

- Forest Management
- Beef production
- Vegetable Production (both field and tunnels)
- Veld Management
- Business and Financial Management
- Sugarcane Farm Management
- Game Farming Management

5.7. Milestones achieved

The projects to be assessed will have certain milestones to be achieved by due date under difficult conditions:

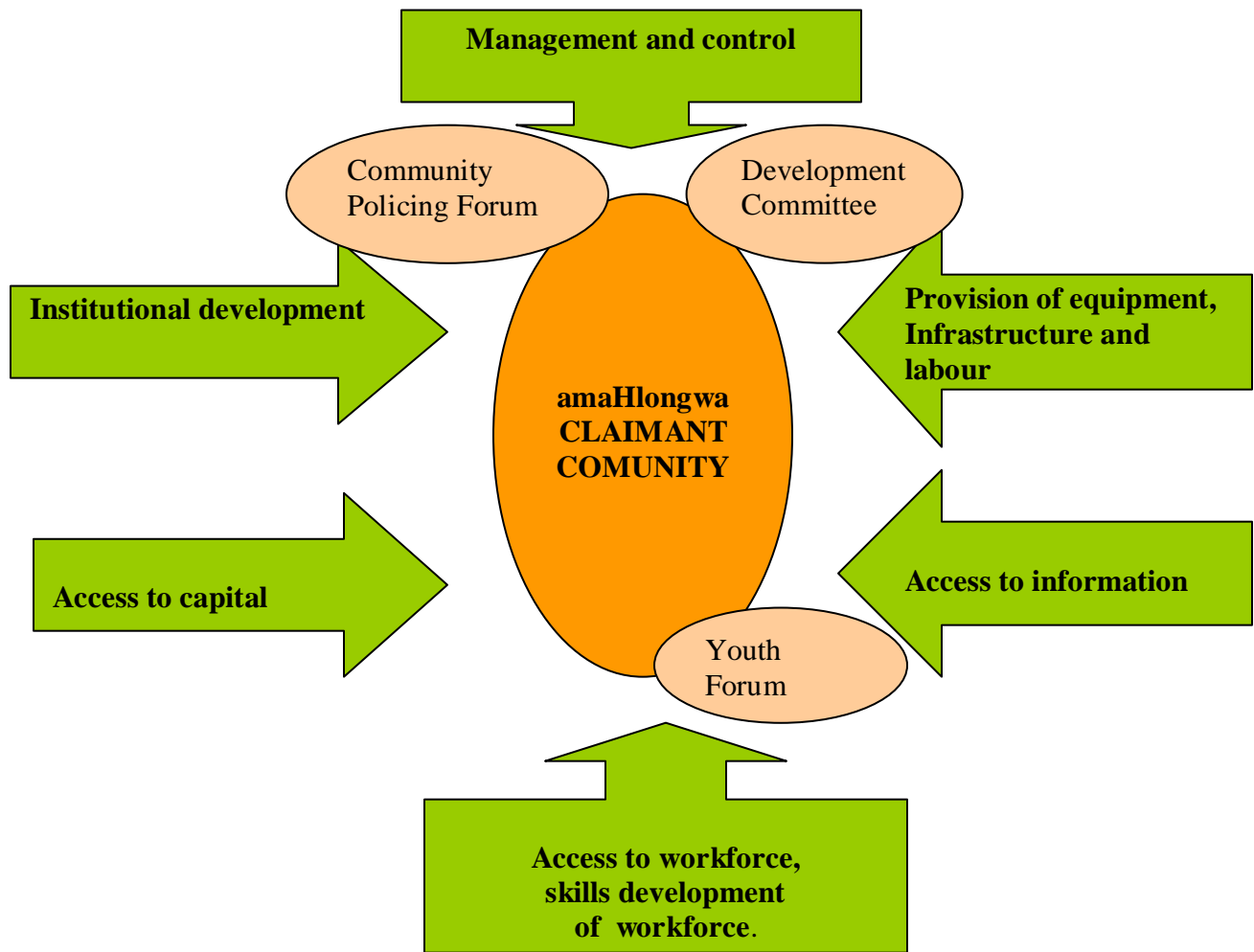
- The establishment of community trusts/CPA's
- The establishment of the relationship with private sector

- The establishment of relationship with the Department of Rural Development and Land Reform
- The establishment of relationship with Local Municipality and Amakhosi
- The development of a Land Use Plan & Business plans
- Basic understanding of business gained through workshops

5.8. Business Dynamics

As community businesses grow from strength-to-strength, there are new challenges and opportunities that emerge along the journey. The figure below highlights community business dynamics that managers and board members must take into account to make the business viable and sustainable. All those issues: labour, information, institutional development, access to finance and *etc.* are all equally important to make the business survive.

Figure 5.11: Community Business Dynamics



Source: amaHlongwa (2009)

5.9. Conclusion

The chapter starts with the highlight of key findings from the research conducted with community projects. The project of Ogwini community business was used as a case to highlight key attributes which are common to similar projects.

The different markets to be invested must be researched properly so that funds are invested properly. Community needs must be taken into account when designing a business plan. Critical to all investment decisions is the type of soil which influences the type of business in which to invest and employ labourers.

A summary of key SWOT points from projects is highlighted. The governance of the projects is important as different roles and understanding are critical to all role players. Training is critical to the basic understanding of any operation.

There are milestones achieved by community projects even at different stages of growth. Any leader of community business projects must understand the complicated dynamics and be able to operate within those parameters.

CHAPTER 6: RESEARCH SUMMARY

6.1. Introduction

There is need in the new democracy to conduct further more research or periodical evaluation of land reform projects across provinces. The major challenge is to demonstrate its importance and the value it adds to government systems. The success of the land reform projects is critical to sustain rural development as part of driving sustainable jobs and economic growth focal points as part of Local Economic Development.

6.2. Summary

The research highlighted the critical importance of the land reform projects in KwaZulu-Natal as Local Economic Development (LED) contributors. There are more CPAs in KwaZulu-Natal than any other province.

In chapter 1, the importance of the study was highlighted. The summarized literature review was covered. Key research questions and possible research methods to be used were highlighted. The timetable to complete the project was highlighted with all steps to be followed.

Chapter 2 highlights the economic perspective of South Africa and KwaZulu-Natal. The economic transition and structural changes over a period was depicted. The national GDP trends over few decades was highlighted and also with GDP per industry. The BCI to show the business environment to economic dynamics impacts which ultimately will affect the land reform projects. KwaZulu-Natal broad economic major sectors were highlighted, with agricultural focus due to the research area of interest.

In Chapter 3, the land reform historical background, relevance and importance were highlighted. The department mandate as the driver of the process was also highlighted. The importance of LED and

LED in South Africa to drive developmental agenda was briefly discussed. The restitution process and the politics of the land reform were highlighted. The women development and training imperative to make projects viable and sustainable was depicted. The industry bodies those land reform beneficiaries to consider joining to gain valuable information to benefit the projects and individuals involved.

The research methods were discussed in chapter 4. The projects operations managers' summary profile including among others were discussed: age profile, experience and qualifications. The amount of time spend on site importance was highlight as this affect the operations monitoring and evaluation of supervisors output with their teams. The chapter closed with a complex system in which the land reform projects needs to operate in this changing complex environment.

Chapter 5 highlights the key research results covered different areas for project managers. There are milestones achieved by community projects even at different stages of growth. Ogwini Community Trust project was used as case study to highlight key areas of focus to make the project sustainable and succeed.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1. Recommendations

The land reform success stories depend on the quality of the team involved in managing the project.

The research recommendations are as follows:

- The land reform beneficiaries must be trained first before the land is handed over to the community structures
- Project hand over must be in phases in terms of their developmental needs identified during the assessment stages
- The government should phase CPAs into fully fledged CPAs over a period of time once they been through a standard, comprehensive training program
- Mentors to be appointed and paid by the department for the initial five years post inception to secure technical skills transfer
- A standard, industry specific evaluation document that all post settlement officials may use to access the viability and sustainability of projects should be designed
- Project officials should undergo training for specific industries in which they operate/handle the land reform projects to avoid them tackling the whole program without the required specialisation
- Project officers handling land reform projects before transfer should be part of the post settlement advisory team thereby fostering project ownership
- Land transfers should not to be conditional on communities signing long-term leases with the private sector
- A range of business professionals should be provided to support projects for the first five years; these should include among others: accountants, bookkeepers, lawyers, *etc.* to ensure governance compliance with legislation
- The department should release funding immediately after the transfer is completed
- The department should ensure that all legally appointed officials understand their fiduciary duties before transfer takes place

- The department should showcase successful land reform projects in the interest of knowledge sharing

7.2. Future Research

This research dissertation mainly concentrated on the land reform projects in KwaZulu-Natal. The researcher recommends the following as areas for future research projects for master's and doctoral studies:

- Expand the research project to more projects in KwaZulu-Natal across all district municipalities
- The assessment of land reform projects should be compared between provinces in order to access geographical factors, for example coastal provinces and inland provinces
- Land reform projects focusing on specific industries should be researched in order to evaluate where the major problems exist
- The comparison of land reform projects in South Africa should be extended to comparison with other African countries where land reform projects have been implemented for years
- A study should be conducted on the legislative implications of land reform failures and their impact on government
- Government investment in land reform projects should be assessed in terms of impact on local economic development objectives
- A study should be conducted on the readiness of stakeholders to implement land reform and to determine their requirements in terms of training.

7.3. Conclusion

As we draw towards the conclusion of this research project's journey, we may conclude that the land reform will change how businesses operate in the future. ***“Only time will tell how land reform projects will deliver intended objectives”***.

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ABBREVIATIONS

- AGOA - African Growth and Opportunity Act
- ANC - African National Congress
- ARC - Agricultural Research Council
- ANOVA - Analysis of variance
- BCI - Business Confidence Index
- BEE - Black Economic Empowerment
- BOD - Board of Directors
- BOT - Board of Trustees
- BUSA - Business Unity South Africa
- CPI - Consumer Price Index
- CPIX - Consumer Price Index excludes bonds repayment
- CASP - Comprehensive Agriculture Support Programme
- CGA - Citrus Growers Association
- CPA - Community Property Association
- DAFF - Department of Agriculture, Forestry and Fishery
- DRDLA - Department of Rural Development and Land Affairs (DRDLA)
- ESTA - Extension of Security of Tenure
- FABCOS - Foundation for African Business and Consumer Services
- FSA - Forestry South Africa
- GDP - Gross Domestic Product
- GDPR - Gross Domestic Product Rate
- GEDA - Gauteng Economic Development Agency
- GGP - Gross Geographical Product
- GNI - Gross National Income
- GRP - Growth Regional Product
- HDSA - Historically Disadvantaged South Africans
- ISRDP - Integrated Sustainable Rural Development Programme

- KZN - KwaZulu-Natal
- LARP - Land and Agrarian Reform Project
- LED - Local Economic Development
- LRTA - Land Reform Labour Tenants
- LUP - Land Use Plan
- MANOVA - Multivariate Analysis of Covariance
- MPO - Milk Producers Organisation
- NAFCOG - National African Chamber of Commerce
- NAFU - National African Farmers Union
- PRA - Participative Rural Appraisal
- RPO - Red Meat Producers' Organisation
- SACCI - South African Chamber of Commerce and Industry
- SACOB - South African Chamber of Business
- SADC - Southern African Development Community
- SAMIC - South African Meat Industry Company
- SARB - South African Reserve Bank
- SBAB - Small Business Advisory Bureau
- SCI - Social Community Investment
- SWOT - Strength Weakness Opportunities Threats
- TA - Traditional Authority
- TRP - Tenure Reform Programme
- USA - United States of America
- WTO - World Trade Organisation
- WWF - World Wildlife Fund

Measurements

- ha - hectare

Annexure A: Employer's Approval Letter



Mondi Limited

Pretoria Suite # 444,
Private Bag 41, Melrose
Arch 2076,
South Africa
4th Floor, No. 3 Melrose
Boulevard
Melrose Arch, 2108
Johannesburg South
Africa
Tel: +27 (0) 11-884 5443
Fax: +27 (0) 11-884 6891
www.mondigroup.com

17 February 2011

Dr Hans Salisbury
Leadership Centre
University Of KwaZulu-Natal
Westville Campus
Durban
3630

Dear Dr Salisbury

RE: PERMISSION TO CONDUCT RESEARCH

This letter serves to confirm that I, Mr Maurice Makhathini, Head of Land for Mondi SA hereby acknowledge and approve the research of Mr Ilm Matsho within Mondi for the completion of his M.Com – Leadership specialising in LED.

Participation in the study by the leaders will be voluntary.

Sincerely,

Mr Maurice Makhathini
Head: Land
Mondi SA

Directors: D M Williams (John C. "Johnny" M. Ramaphosa (Julia Ramaphosa) D A Mashon (David A. W. King (GPO))
C B Mkhomo (C. B. Mkhomo) J. J. Mkhomo (J. J. Mkhomo) P. J. Oswald (P. J. Oswald) A. C. O. (A. C. O.)
Secretary: P. A. Kruischer
*British, South African and African *South African and African *Apartheid *New Zealand and Irish
Box No. 198701300000



Annexure B: Community Approval Letters



IKHASI AGRI-FARMING P.T.Y

1019 Komatipoort Tlokoeng Council Traditional Area, P.O. Box 113, Gaborone, B-4471, Tel: (00266) 3221

REGISTRATION NO. 1019/2011

Dr Hans Salisbury
Leadership Centre
University Of Botswana
Windsor Campus
Botswana
3680
14/02/2011

Dear Dr Hans Salisbury


RE PERMISSION TO CONDUCT RESEARCH

This letter serves to confirm that I, DT Mngasa, Manager of IKHASI AGRI-FARMING (PTY) LTD, hereby acknowledge and [approve/denote/approve] the research of JIM MACHWANE on Ikhasi Agri-Farming (Pty) Ltd for the completion of his M.Com (Leadership) specialising in LEO.

This research is permitted under the following conditions (if any):

- ☒ None
- ☐
- ☐

Sincerely,

Signature 
Mr. D.T. Mngasa
Manager
Cell No. (082) 2297211

DIRECTOR

IKHASI AGRI-FARMING (PTY) LTD (Pvt) Ltd

BOARD OF DIRECTORS

1. JIM MACHWANE, 2. JIM MACHWANE, 3. JIM MACHWANE, 4. JIM MACHWANE, 5. JIM MACHWANE, 6. JIM MACHWANE, 7. JIM MACHWANE, 8. JIM MACHWANE, 9. JIM MACHWANE, 10. JIM MACHWANE

NZOMBANE ALLIEN WEED AND CIVIL CULTURE

Reg. No. 2808/016225/7

**P. O. BOX 49
KRANSKOP
3268**

Dr Hans Sillebust
Landship Centre
P.O. Box 1076
Wentworth Campus
Durban
4013
140600-1

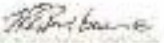
Dear Dr Hans Sillebust:

RE: PERMISSION TO CONDUCT RESEARCH

Our letter serves to confirm that I, Dr. Sillebust, Manager of Nzombane Alien Weed and Civil Culture, have by acknowledgement and [signature and approval] the research of the [researcher] within Nzombane Alien Weed and Civil Culture (Pty. Ltd) for the completion of his M.Com (Landship specialising in Law).

His research is permitted under the following conditions (if any):

Sincerely,

Signature: 
T. N. Ngwenya
Manager
Cell No. 0425830471

Annexure C: Introductory Letter

UNIVERSITY OF KWAZULU-NATAL

LEADERSHIP CENTRE

RESEARCH PROJECT FOR:

MASTER OF COMMERCE IN LEADERSHIP STUDIES (LED PROGRAMME)

Project Title: Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

Supervisor: Mr. Hans Salisbury
Telephone: 033 – 260 5458
Email: Salisbury@ukzn.ac.za

Name: Jim Matsho
Student No: 210 555 458
Cellphone: 082 399 0811
Email: jim.matsho@gmail.com

Dear Potential interviewee

Hi my name is Jim Matsho. I am currently preparing a dissertation research for my Master of Commerce in Leadership Studies (LED Programme) degree. In order to fulfill the requirement of this study, a research has to be conducted, and findings be presented in an academic format in the form of the dissertation paper. As indicated above, my topic seeks to research areas of land reform projects as LED contributors: KwaZulu-Natal case studies. As a key stakeholder and role player on LED matters within the KwaZulu-Natal province, I have identified you and hereby request you to participate in this study. The study will seek to answer the following questions, which are deemed critical in order to investigate factors affecting the success of land reform projects as LED contributors within the area of operation

- Assess the sustainability of rural community projects
- Identify the major challenges the hinders sustainability
- Investigate how the land reform process implementation affect the operation on entities
- Compile a skills matrix for the managers and senior supervisors
- Draw critical lessons that can form the backbone of LED, particularly for future land reform projects

The purpose of this interview is to solicit information from you as an LED Manager/Senior Supervisor for the community project within this province. The information and ratings you provide will go a long way in helping me identify issues of concern, major contributing factors as well as issues impacted on by LED implementation.

Participation in this study is entirely voluntary. Participants will be at liberty to withdraw from this study at any stage should they so wish. No negative consequences what so ever will result due to opting not to participate. Responses will be treated with extreme confidentiality. Information gathering will mainly be in the form of one-on-one interviews or completion of questionnaire. The interview should only take a maximum of 30 minutes to complete. In this process, you will be asked different set of questions. In order to extract as much information as possible, follow up questions may be necessary. Audio equipment may be used in order to ensure that I don't miss any critical point that you may raise. However, this will be done mindful of the maximum time limits as indicated above. In order to take the process forward, I hereby request you to sign the below-indicated declaration form as an indication of acceptance to participate in this study. Accompanying this letter are two other letters;

1. Letter to your Manager, Director, CEO or any other senior, requesting them to allow you to participate in this study.
2. Prototype letter for your Manager, Director, CEO or any other senior – to be used when by them to allow you to participate.

Two signed letters must come back to me. This one with your declaration as well as a letter from your Manager. Electronic signatures allowed. If you are unable, I will make a plan to come and fetch such letters.

Yours Sincerely



Jim Matsho

**UNIVERSITY OF KWAZULU-NATAL
LEADERSHIP CENTRE
RESEARCH PROJECT FOR:**

MASTER OF COMMERCE IN LEADERSHIP STUDIES (LED PROGRAMME)

Project Title: Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

Supervisor: Mr. Hans Salisbury
Telephone: 033 – 260 5458
Email: Salisbury@ukzn.ac.za

Name: Jim Matsho
Student No: 210 555 458
Cellphone: 082 399 0811
Email: jim.matsho@gmail.com

CONSENT

I, _____ (full names
of participant) hereby confirm that I understand the contents of this document and the nature of the research project,
and I consent to participating in the research project. I understand that I am at liberty to withdraw from the project at
any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

UNIVERSITY OF KWAZULU-NATAL

LEADERSHIP CENTRE

RESEARCH PROJECT FOR:

IMIYEZANE YEZEMFUNDO NGOBUHOLI BEZEMALI (LED PROGRAMME)

Igama le Phrojecthi: Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

Supervisor: Mr. Hans Salisbury
Ucingo: 033 – 260 5458
Isikhahlezi: Salisbury@ukzn.ac.za

Igama: Jim Matsho
Inombolo yomfundi: 210 555 458
Inombolo yocingo: 082 399 0811
Isikhahlezi: jim.matsho@gmail.com

Sawubona nhlokhono

Sawuboba igama lami ngingu Jim Matsho. Okwamanje ngilungisela uphenyo olude ngeziqu zami zemfundo yezobuholi bemiyezane yezemali (Master of Commence in Leadership studies (LED Programme) degree. Ukuze ukwazi ukufeza izidingo zalesisifundo, ucwaningo kumele lwenziwe, okutholakalayo kumele kulethwe ngohlu lwemfundo kuchazwe ngisihloko sezemfundo. Njengoba kukhonjisiwe esihlokwini ngenhla. Isihloko sami sikhombisa ucwaningo ngezindawo zomhlaba nokusungulwa kokwenziwa kwama Project. Njenge LED, yakwa Zulu Natal yezemfundo. Njengelungu nomdlali ngqangi kwi LED okwenzakalayo kwa Zulu Natal nesifunda. Ngiboniswe wena futhi ngilana ukuzocela wena ukuthi ube yingxenywe yalesisifundo. Lesisifundo sizoncika ezimpendulweni zemibuzo elandelayo, ayinkinga ekuphenyweni kwezinto ezenza impumelelo kuma project emihlaba njenge LED ezamelela ezindaweni.

- Ukucwaninga ngama Project asezindaweni zasemakhaya
- Bhakisisa inking evelile lapho ifihlalele khona.

- Yenza uncwango ngemihlaba ngokuthinteka kwenqubekela phambili kwemihlaba
- Yenza ucwaningo ngolwazi lomphathi kanye nesekele mphathi.
- Dweba okuzoba isifundo esizokuba nomgogodla nge LED, ikakhulukazi ngekusasa lemihlaba lwekwenziwa kwama Project.

Inhloso ngale nhlolekhono ukuthola ulwazi kuwena njengomphathi we LED/ isekela mphathi nge Project yomphakathi sifundazwe. Ngolwazi engilutholile luzongisiza ukubhekisisa izinto enziyinkinga mayelana ne nenhloso ye LED.

Ekulekelela koba mahhala, nasekuyekeni kwakho noma nini uma ufisa. Ungabi nemicabango engemihle ezokwenza ungalekeleli ngalesisifundo. Izimpenduleko zophathwa ngobuncweti obufihlekile. Ulwazi mayelana nalokhu iyokuba ngamunye ngamunye kwi nhlolekhono noma kwinkulomo mpendulwano.

Inhlolekhono iyothatha kupheka imizuzu engaphezu kwamashumi amathathu ukuthi iphele. Kulenqubeko uyobuzwa imibuzo eyahlukene. Uma ufuna ukuthola kabanzi ngolwazi ngokushesha, ukulandela imibizo kuzokusiza. Amathuluzi okurekhoda ayosetshenziswa ukuze kube nesiqiniseko sokuthi akukho okubalulekile okushiwo okusele. Nomanini, lokhu kuzokwenziwa njalonjalo njengoba kushiwo ngenhla. Ukwenzela inqubekela phambili, ngilapha ukukucela ukuba usayine ifomu lozibophezela elingezansi elikhombisa isivumelwano ekulekeleleni ngalesisifundo. Ukwamukeleka kwalencwadi kunezinye izincwadi ezimbili.

3. Incwadi eya kumphathi, Ophethe umphathi, nomphathi obaphethe noma esinye sezikhulu esiphethe ecelayo ukuba ube yingxenywe yalesisifundo.
4. Incwadi eyisibonelo kumphathi, ophethe umphathi, umphathi obaphethe noma ngabe isiphi isikhulu esiphethe-ningamsebenzisa ukuba abe yingxenywe.

Izincwadi ezimbili kumele zibuye kimina. Lokhu kanye nesibophezelo kanye nencwadi esuka kuMphathi wakho.

Ukusayina usebenzise isikhahlezi kuvumelekile. Uma ungakwazanga, ngizokwenza imizamo yokuthi ngize ngizozilela zona.

Yimina ozithobayo



Jim Matsho

UNIVERSITY OF KWAZULU-NATAL
ISIKHUNGO ESIHOLA
NGOCWANCINGO LWAMA PROJECT E

UBUHOLI BEMIYEZANE YEZEZIMALI (LED PROGRAMME)

Isihloko se Projethi : Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

Umphathi: Mr. Hans Salisbury
Inombolo yocingo : 033 – 260 5458
Emelii: Salisbury@ukzn.ac.za

Igama: Jim Matsho
Inombolo yomfundi: 210 555 458
Inombolo yocingo: 082 399 0811
Emeli: jim.matsho@gmail.com

UKUZIBOPHEZELA

Ngingu, _____ (Amagama
aphelele olekelele) ngiyaqinisekisa ukuthi ngizwe konke mayelana nalembhalo kanye nangocwaningo lwale Project,
ngiyeqoniseka ukuthi ngiyophuma kwi Project noma nini uma kufanele.

ISAYINI YOBekhona

USUKU

Annexure D: Questionnaires (English & iSiZulu)

UNIVERSITY OF KWAZULU-NATAL LEADERSHIP CENTRE

Proposed Qualification: M.Com (Leadership)

Researcher: Jim Matsho (082 399 0811)

Supervisor: Hans Salisbury (033) 260 5458

Research Office: Ms P Ximba (031) 260 3587

Title of Survey: Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

The purpose of this survey is to solicit information from Operations Managers that will contribute to research that seeks to investigate factors affecting the success of land reform projects. The information and ratings you provide us with will go a long way in helping us identify contributions to LED in KZN. The questionnaire should only take 30 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no “right” or “wrong” answers to any question. Work as rapidly as you can. If you wish to make a comment please write it directly on the booklet itself. Make sure not to skip any questions. Thank you for participating.

PART 1

QUESTIONNAIRE

INSTRUCTIONS:

- PLEASE MAKE AN 'X' IN THE APROPRIATE BLOCK (NUMBER)
- PLEASE GIVE CORRECT RESPONSES
- CHOOSE ONE OPTION ONLY WHERE REQUIRED
- FOLLOW INSTRUCTIONS INSERTED IN BRACKETS

A. PERSONAL DATA OF PROJECT OPERATOR(S):

1. What is the age of the business operator/manager?

- a. 20 - 30 years
- b. 31 - 40 years
- c. 41 - 50 years
- d. 50+ years

| |
|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

2. What is the manager's education background?

- a. 0 - Std 5
- b. Std 6 - Std 10
- c. Post matric
- d. Diploma / Degree
- e. Post Graduate

| |
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| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

3. For how long have you been involved management of this project?

- a. 0 - 1 year
- b. 1 - 5 years
- c. 5 - 10 years
- d. 10+ years

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4. Indicate the average time spend on the project in hours per day?

- a. 7am - 7pm
- b. 6am - 1pm
- c. 2pm - 8pm
- d. Varies

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5. Previous working / business experience before involved in this project?

- a. Financial Sector
- b. Education Sector
- c. Sales & Marketing Sector
- d. Managing Business
- e. Other (Specify): _____

B. BUSINESS OPERATION

Question 6 to 7 must be answered using the following scale method

- | | |
|-------------------------|--------------------------|
| A = Totally unimportant | B = Not really important |
| C = Of neutral impact | D = Very important |
| E = Absolutely critical | |

6. How important is the impact of cash-flow management to the project's stability?

| | | | | | | | | | |
|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|
| A | <input type="checkbox"/> | B | <input type="checkbox"/> | C | <input type="checkbox"/> | D | <input type="checkbox"/> | E | <input type="checkbox"/> |
|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|

7. Is the annual contract rate adjustment smoothens the cash flow projection?

| | | | | | | | | | |
|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|
| A | <input type="checkbox"/> | B | <input type="checkbox"/> | C | <input type="checkbox"/> | D | <input type="checkbox"/> | E | <input type="checkbox"/> |
|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|---|--------------------------|

8. What is the monthly turnover?

- a. R300 000+
- b. R240 001 - R300 000
- c. R180 001 - R240 000
- d. R100 001 - R180 000
- e. <R100 000

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9. What is the annual net profit for the project to be sustainable?

- a. R150 000+
- b. R120 001 - R150 000
- c. R90 001 - R120 000
- d. R60 001 - R90 000
- e. R30 001 - R60 000
- f. <R30 000

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10. Are the financial records officially audited?

Yes

☐

No

☐

C: STAFF COMPLEMENT

11. How many people are employed in the project?

- a. <10
- b. 11 - 20
- c. 21 - 30
- d. 31+

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12. What is the hourly rate of payment?

Answer: a) General Worker(s):

b) Supervisors:

c) Cashiers:

d) Administrative:

13. How often do staff (i.e. general workers) attend training courses?

- a. Once in every six months
- b. Once a year
- c. Once in two years
- d. No training at all

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14. Which of the following forms of remuneration do you provide?

- a. Monthly fixed wages
- b. Monthly fixed wages + commission
- c. Monthly flexible wages
- d. Monthly flexible wages + commission

| |
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END OF THE QUESTIONNAIRE

THANK YOU FOR TAKING THE TIME TO COMPLETE THE QUESTIONNAIRE. THE INFORMATION SUPPLIED WILL HELP ME A GREAT DEAL IN MY RESEARCH PROJECT.

**UNIVERSITY OF KWAZULU-NATAL
LEADERSHIP CENTRE**

Proposed Qualification: M.Com (Leadership)

Researcher: Jim Matsho (082 399 0811)

Supervisor: Hans Salisbury (033) 260 5458

Research Office: Ms P Ximba (031) 260 3587

Title of Survey: Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

The purpose of this survey is to solicit information from Operations Managers that will contribute to research that seeks to investigate factors affecting the success of land reform projects. The information and ratings you provide us with will go a long way in helping us identify contributions to LED in KZN. The questionnaire should only take 30 minutes to complete. In this questionnaire, you are asked to indicate what is true for you, so there are no “right” or “wrong” answers to any question. Work as rapidly as you can. If you wish to make a comment please write it directly on the booklet itself. Make sure not to skip any questions. Thank you for participating.

PART 2

QUESTIONNAIRE

INSTRUCTIONS:

- PLEASE GIVE CORRECT RESPONSES

OPEN ENDED QUESTIONS

The following questions, 1 to 15 related to the envisaged attempt to achieve the following objectives related to LED:

1. What are the main key areas that make this project important to the community?

2. How are the equipment used in this projects financed?

3. What was the experience in accessing funding and which institution provided funding when the project started?

4. What drives the projects to be successful to date since inception?

5. Is there a dedicated mentor for the project?

6. How does the project contribute to capacity building of community members and contribution as part of Local Economic Development initiatives?

7. Is the project assisting to answer the Local Municipality Integrated Development Program?

8. How does the project contribute to the KwaZulu-Natal Spatial and Economic Development Strategy and Industrial Development Strategy?

9. Where do you want to see the project in the next five years?

10. Will you recommend other community to implement similar projects in other districts?

11. How have the youth, disabled and women's empowerment issues been addressed in the design of your project and how is it being addressed in the implementation of the project?

12. Does the project present an opportunity for collaboration and partnership with Previously Disadvantaged Group(s)? If yes, please give a brief explanation.

13. Is the project able to contribute to the assistance/contribution towards community social programs?

- 14 Will this project contribute towards rural economic development? If yes, please briefly describe how your project will present direct or indirect economic opportunities for rural community(s).

- 15 Any key learning we can share with other projects to survive and be sustainable?

END OF THE QUESTIONNAIRE

THANK YOU FOR TAKING THE TIME TO COMPLETE THE QUESTIONNAIRE. THE INFORMATION SUPPLIED WILL HELP ME A GREAT DEAL IN MY RESEARCH PROJECT.

INYUVESI YAKWA KWAZULU-NATAL
UMPHATHI SIKHUNGO
Uqeqesho Oludingekayo: M.Com (Ubuholi)
Umcwaningi: Jim Matsho (082 399 0811)
Induna: Hans Salisbury (033) 260 5458
Ihhovisi Labacwaningi: Ms P Ximba (031) 260 3587

Isihloko sokuhloola: Ukuqhathanisa kokuhlolwa nobucayi bokulinganiswa komhlaba kwama projethi njenge LED
nabanikezi be Kwazulu Natal bezemfundo

Inhlosongqangi nhlobo ukuthola ulwazi kubaphathi bomsebenzi mayelana nocwaningo okubhalwe ngenhla. Ulwazi olunika lona luzodla indima enkulu ekusizeni ukuthola umthelela owenziwa ekuphenyeni mayelana nezindawo zama projethi. Leminigwane iyosiza ekunikeleni nasekuphakamiseni ngokwethulwa ngokusiza ngokuqondisa kwi LED Kwazulu Natal. Imibuzo izothatha kuphela u 30wemizuzu ukuyiphendula. Kulemibuzo kudingeka uphendule ngokuyiqiniso, ayikho impendulo eyiyo nengayiyi emibuzweni. Sebenza ngokuthembeka. Uma ufisa ukuphawula bhala kulo qobo ibhuku lakho. Qiniseka awujombi umbuzo. Ngiyabonga ngokuzibandakanya.

ISIGABA B : INGXYENYE 1

IMIBUZO

IMINININGWANE:

- NGICELA UFAKE 'X' EBHOKISINI ELIFANELE (INOMBOLO)
- NGICELA UNIKEZE INCAZELO EFANELE
- KHETHA OKUKODWA LAPHO KUFUNeka KHONA
- LANDELA IMINININGWANE EFAKWE KUBAKAKI

C. IMINININGWANE YEPROJETHI LABASEBENZI:

1. Ithini iminyaka yemfundo yabasebenzi / umphathi?

- a. 20 - 30 iminyaka
- b. 31 - 40 iminyaka
- c. 41 - 50 iminyaka
- d. 50+ iminyaka

| |
|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

2. Ithini imvelaphi yemfundo yomphathi?

- a. 0 - Ibanga 5
- b. Ibanga 6 - Ibanga 10
- c. Ophase umatikuletsheeni
- d. Iziqu/ Iziqu bamabanga aphezulu
- e. Abathwese imiyezane

| |
|--------------------------|
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |
| <input type="checkbox"/> |

3. Unesikhathi esingakanani uphethe kule projethi?

- a. 0 - 1 iminyaka
- b. 1 - 5 iminyaka
- c. 5 - 10 iminyaka
- d. 10+ iminyaka

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4. Khombisa isikhathi osichitha kule projethi ngamahora ngosuku?

- a. 7 ekuseni - 7ntambama
- b. 6ekuseni - 1ntambama
- c. 2ntambama - 8ebusuku
- d.

| |
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5. Osebenze khona ngokwedlule / Isipiliyoni ngaphambi kokuba uqale I projethi?

- a. Ezezimali
- b. Ezemfundo
- c. Ezokudayisa nokukhangisa
- d. Ukuphathwa kwebhizinisi
- e. Okunye (Cacisa): _____

6. UKUQHUTSHWA KWEBHIZINISI

Umbuzo 6 kuya ku 7 mayiphendulwe ngokusebenzisa indlela elandelayo

A = Isamba esingabalulekile

B = Okungabalulekile kakhulu

C = Imbangela yokuphakathi nendawo

D = Okubaluleke kakhulu

E = Okubucayi ngampela

7. Ibaluleke kanjani imbangela yabaphathi ngokuphuma nokungena kwezimali ekusimameni kule projethi?

A ☐ B ☐ C ☐ D ☐ E ☐

8. Ngabe izinga lesivumelwane sonyaka siyalungiseka kahle yini ekuphumeni nokungena kwezimali ze projethi?

A ☐ B ☐ C ☐ D ☐ E ☐

9. Imalini inzuzo yenyanga?

- a. R300 000+
- b. R240 001 - R300 000
- c. R180 001 - R240 000
- d. R100 001 - R180 000
- e. <R100 000

| |
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10. Imalini inzuzo ye projethi okufanele itholakale?

- a. R150 000+
- b. R120 001 - R150 000
- c. R90 001 - R120 000
- d. R60 001 - R90 000
- e. R30 001 - R60 000
- f. <R30 000

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11. Uyayigcina yini imininingwane yezezimali yabacwaningi mabhuku?

Yebo

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Cha

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C: IZINCOMO ZABASEBENZI

12. Bangaki abantu abaqashiwe ebhizinisini?

- a. <10
- b. 11 - 20
- c. 21 - 30
- d. 31+

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13. Babhala malini ngehora?

Impendulo: a) Abasebenzi abangaqeqeshiwe:

b) Izinduna :

c) Abamukeli zimali:

d) Abasebenzi basehhovisi:

14. Ubaqeqesha kangaki abasebenzi bakho?

- a. Kanye emva kwezinyanga eziyisithupha
- b. Kanye ngonyaka
- c. Kanye emva kweminyaka emibili
- d. Alukho nhlobo uqeqesho

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15. Iziphi izinhlobo eniholela ngazo kulezi ezilandelayo?

- a. Umholo ongashintshi wenyanga
- b. Umholo ongashintshi wenyanga nenzuzo
- c. Umholo wenyanga oshintshashintshayo nenzuzo
- d. Umholo wenyanga oshintshashintshayo nenzuzo

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UKUPHELA KWEMIBUZO

SIYABONGA UKUCHITHA ISIKHATHI SAKHO UPHENDULA IMIBUZO. IMINININGWANE OSINIKE YONA IZONGISIZA EKUBHEKENI (PROJETHI)

**INYUVESI YAKWA KWAZULU-NATAL
UMPHATHI SIKHUNGO**

Uqeqesho Oludingekayo: M.Com (Ubuholi)

Umcwaningi: Jim Matsho (082 399 0811)

Induna: Hans Salisbury (033) 260 5458

Ihovisi Labacwaningi: Ms P Ximba (031) 260 3587

Isihloko sokuhloola: Ukuqhathanisa kokuhlola nobucayi bokulinganiswa komhlaba kwama projethi njenge LED
nabanikezi be Kwazulu Natal bezemfundo

Inhlosongqangi nhlolovo ukuthola ulwazi kubaphathi bomsebenzi mayelana nocwaningo okubhalwe ngenhla. Ulwazi olunika lona luzodla indima enkulu ekusizeni ukuthola umthelela owenziwa izinhlelo zokuthuthukisa umnotho Kwazulu Natal. Imibuzo izothatha kuphela u 30wemizuzu ukuyiphendula. Kulemibuzo kudingeka uphendule ngokuyiqiniso, ayikho impendulo eyiyo nengayiyo emibuzweni. Sebenza ngokuthembeka. Uma ufisa ukuphawula bhala kulo qobo ibhuku lakho. Qiniseka awujombi umbuzo. Ngiyabonga ngokuzibandakanya.

ISIGABA B: INGXENYE 2

IMIBUZO

IMINININGWANE:

- NGICELA UNIKEZE INCAZELO EFANELE.

UMBULO OVULELEKILE

Lemibuzo elandelayo u 1 kuya ku 15 iphathelele nenhloso ngqangi ukuzama ukuphumelelisa izinhloso ezilandelayo. Mayelana nokuthuthukiswa kwezomnotho zesigodi/ zasekhaya (LED)

1. Isiphi isikhiye ngqangi esenza le projethi ibaluleke emphakathini?

2. Zisetshenziswa kanjani izinsiza kusebenza kule projethi ekhokhelwe?

3. Kwakuyisiphi isipiliyoni esasentshenziswa kanye nesizinda esanikezwa ekuxhasweni mhla iprojethi iqala?

4. Yini eyenza iprojethi iphumelele kusukela ekuqaleni kuzekube manje?

5. Ukhona yini ongumluleki kule projethi?

6. Leprojethi izowathuthukisa kanjani amalunga omphakathi nomnotho wabo?

7. Ngabe le projethi iyasiza yini ekuthuthukiseni kwezinhlelo komasipala?

8. Leprojethi ixhasa kanjani KwaZulu Natal Spetian nakwi minyango yokuthuthukiswa kwezomnotho, nakwiminyango yokuthuthukiswa kwezimboni?

9. Ufuna ukuliyibona ikuliphi izinga leprojethi eminyakeni eyisihlanu ezayo?

10. Ungayigqugquzela yini eminye imiphakathi ukuba isebenzise iprojethi efanayo nalena kwezinye izikhungo?

11. Bayithuthisa beyibeke kanjani intsha, abakhubazekile kanye nabesifazane ohlwini lwe projethi, futhi bababekaphi ekwenziweni kwale projethi?

12. Ngabe leprojethi iyawaveza yini amathuba kanye nokuhlangana kwababancishwe amathuba ngaphambilini? Uma kungu Yebo sicela incazelo:-

13. Le projethi iyasiza yini ekuxhaseni/ nasekunikezeleni ohlwelweni lomphakathi?

16 Ngabe le projethi izoxhasa kumnotho womphakathi wasemakhaya? Uma kunjalo ngicela ucacise ukuthi I project yakho izoqonda ngqo kuwe noma izoqhamuka ngamathuba omnotho womphakathi wazemakhaya.

17 Kukhona yini esingakufunda ndawonye ngokuhlanganyela ekuqiniseni okuzosivikela kule phrojethi?

UKUPHELA KWEMIBUZO

SIYABONGA UKUCHITHA ISIKHATHI SAKHO UPHENDULA IMIBUZO. IMINININGWANE OSINIKE YONA IZOSISIZA EKUCWANINGENI LEPHROJETHI.

Annexure E:

RESTITUTION OF LAND RIGHTS ACT 22 OF 1994

(Afrikaans text signed by the President)

[Assented To: 17 November 1994]

[Commencement Date: 2 December 1994]

as amended by:

Restitution of Land Rights Amendment Act 84 of 1995

Land Restitution and Reform Laws Amendment Act 78 of 1996

Land Restitution and Reform Laws Amendment Act 63 of 1997

Land Affairs General Amendment Act 61 of 1998

Land Restitution and Reform Laws Amendment Act 18 of 1999

Land Affairs General Amendment Act 11 of 2000

Restitution of Land Rights Amendment Act 48 of 2003

Public Service Amendment Act 30 of 2007

[with effect from 1 April 2008]

ACT

To provide for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices; to establish a Commission on Restitution of Land Rights and a Land Claims Court; and to provide for matters connected therewith.

[Long title substituted by s. 31 of Act 63/97]

WHEREAS the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), provides for restitution of property or equitable redress to a person or community dispossessed of property after 19 June 1913 as a result of past racially discriminatory laws or practices; AND WHEREAS legislative measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken to promote the achievement of equality;

[Preamble substituted by s. 1 of Act 63/97]

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2 . Entitlement to restitution

3 . Claims against nominees

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9 . Appointment of persons or organisations to assist Commission on ad hoc basis

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CHAPTER I

INTRODUCTORY PROVISIONS

1. Definitions

In this Act, unless the context indicates otherwise -

“claim” means -

(a) any claim for restitution of a right in land lodged with the Commission in terms of this Act; or

(b) any application lodged with the registrar of the Court in terms of [Chapter IIIA](#) for the purpose of claiming restitution of a right in land; [Definition of “claim” substituted by s. 2 of Act 63/97]

“claimant” means any person who has lodged a claim; [Definition of “claimant” substituted by s. 2 of Act 63/97]

“Commission” means the Commission on Restitution of Land Rights established by [section 4](#);

“community” means any group of persons whose rights in land are derived from shared rules determining access to land held in common by such group, and includes part of any such group;

“Court” means the Land Claims Court established by [section 22](#);

“day”, in the computation of any period of time expressed in days, means any day which is not a Saturday, Sunday or public holiday and which does not fall within the period 24 December to 2 January; [Definition of “day” inserted by s. 1 of Act 78/96]

“direct descendant” of a person includes the spouse or partner in a customary union of such person whether or not such customary union has been registered;

“equitable redress” means any equitable redress, other than the restoration of a right in land, arising from the dispossession of a right in land after 19 June 1913 as a result of past racially discriminatory laws or practices, including -

(a) the granting of an appropriate right in alternative state-owned land;

(b) the payment of compensation;

[Definition of “equitable redress” inserted by s. 2 of Act 63/97]

“High Court” means any High Court referred to in [section 166\(c\)](#) of the Constitution, excluding a high court of appeal; [Definition of “High Court” inserted by s. 2 of Act 63/97]

“Minister” means the Minister of Land Affairs or an officer in his or her department designated by him or her;

“organisation” means any association of persons, incorporated or unincorporated, registered in terms of a law or unregistered and also any branch, section or committee of such association or any local, regional or subsidiary body which forms part of such association; [Definition of “organisation” inserted by s. 1 of Act 78/96]

“organ of state” means an organ of state as defined in [section 239](#) of the Constitution; [Definition of “organ of state” inserted by s. 2 of Act 63/97]

“person” includes a community or part thereof;

“prescribed” means prescribed by or under this Act;

“presiding judge”, in relation to a hearing before more than one judge, means the judge designated as such by the President of the Court; [Definition of “presiding judge” inserted by s. 1 of Act 78/96]

“public land” means all land owned by any organ of state, and includes land owned by the Land Bank and any institution in which the State is the majority or controlling shareholder; [Definition of “public land” substituted by s. 2 of Act 63/97]

“racially discriminatory laws” include laws made by any sphere of government and subordinate legislation; [Definition of “racially discriminatory laws” inserted by s. 2 of Act 63/97]

“racially discriminatory practices” means racially discriminatory practices, acts or omissions, direct or indirect, by -

(a) any department of state or administration in the national, provincial or local sphere of government;

(b) any other functionary or institution which exercised a public power or performed a public function in terms of any legislation; [Definition of “racially discriminatory practices” inserted by s. 2 of Act 63/97]

“restitution of a right in land” means -

(a) the restoration of a right in land; or

(b) equitable redress; [Definition of “restitution of a right in land” inserted by s. 2 of Act 63/97]

“restoration of a right in land” means the return of a right in land or a portion of land dispossessed after 19 June 1913 as a result of past racially discriminatory laws or practices;

[Definition of “restoration of a right in land” inserted by s. 2 of Act 63/97 and substituted by s. 1 of Act 18/99]

“right in land” means any right in land whether registered or unregistered, and may include the interest of a labour tenant and sharecropper, a customary law interest, the interest of a beneficiary under a trust arrangement and beneficial occupation for a continuous period of not less than 10 years prior to the dispossession in question;

“the Constitution” means the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996); [Definition of “the Constitution” inserted by s. 2 of Act 63/97]

“Supreme Court”

[Definition of “Supreme Court” deleted by s. 2 of Act 63/97]

“the rules” means the rules made under [sections 16](#) and [32](#);

“this Act” includes the rules and the regulations made under [section 40](#).

2. Entitlement to restitution

(1) A person shall be entitled to restitution of a right in land if -

(a) he or she is a person dispossessed of a right in land after 19 June 1913 as a result of past racially discriminatory laws or practices ; or

(b) it is a deceased estate dispossessed of a right in land after 19 June 1913 as a result of past racially discriminatory laws or practices; or

(c) he or she is the direct descendant of a person referred to in paragraph

(a) who has died without lodging a claim and has no ascendant who -

- (i) is a direct descendant of a person referred to in paragraph (a); and
- (ii) has lodged a claim for the restitution of a right in land; or
- (d) it is a community or part of a community dispossessed of a right in land after 19 June 1913 as a result of past racially discriminatory laws or practices; and
- (e) the claim for such restitution is lodged not later than 31 December 1998.
- (2) No person shall be entitled to restitution of a right in land if -
 - (a) just and equitable compensation as contemplated in [section 25](#)(3) of the Constitution; or
 - (b) any other consideration which is just and equitable, calculated at the time of any dispossession of such right, was received in respect of such dispossession.
- (3) If a natural person dies after lodging a claim but before the claim is finalised and -
 - (a) leaves a will by which the right or equitable redress claimed has been disposed of, the executor of the deceased estate, in his or her capacity as the representative of the estate, alone or, failing the executor, the heirs of the deceased alone; or
 - (b) does not leave a will contemplated in paragraph (a), the direct descendants alone, may be substituted as claimant or claimants.
- (4) If there is more than one direct descendant who have lodged claims for and are entitled to restitution, the right or equitable redress in question shall be divided not according to the number of individuals but by lines of succession. [S. 2 amended by s. 2 of Act 78/96 and substituted by s. 3 of Act 63/97 and s. 2 of Act 18/99]

3. Claims against nominees

Subject to the provisions of this Act a person shall be entitled to claim title in land if such claimant or his, her or its antecedent -

- (a) was prevented from obtaining or retaining title to the claimed land because of a law which would have been inconsistent with the prohibition of racial discrimination contained in [section 9](#)(3) of the Constitution had that subsection been in operation at the relevant time; and
- [Para. (a) substituted by s. 4 of Act 63/97]
- (b) proves that the registered owner of the land holds title as a result of a transaction between such registered owner or his, her or its antecedents and the claimant or his, her or its antecedents, in terms of which such registered owner or his, her or its antecedents held the land on behalf of the claimant or his, her or its antecedents.

CHAPTER II

COMMISSION ON RESTITUTION OF LAND RIGHTS

4. Establishment of Commission on Restitution of Land Rights

- (1) There is hereby established a commission to be known as the Commission on Restitution of Land Rights.
- (2) The Commission shall have a head office and such other offices, with such areas of jurisdiction, as the Minister may determine.
- (3) The Commission shall consist of a Chief Land Claims Commissioner appointed by the Minister, after inviting nominations from the general public, a Deputy Land Claims Commissioner similarly appointed and as many regional land claims commissioners as may be appointed by the Minister.
- (4) The Chief Land Claims Commissioner, the Deputy Land Claims Commissioner and a regional land claims commissioner, shall -
 - (a) be fit and proper persons to hold such offices;
 - (b) be South African citizens; and
 - (c) have skills and knowledge relevant to the work of the Commission or such legal knowledge or qualifications as the Minister may deem necessary.
- (5) The Minister may terminate any appointment made under subsection (3) -

- (a) if he or she is satisfied that such appointed person no longer complies with the requirements of subsection (4); or
- (b) if the appointed person requests the Minister in writing to terminate the appointment.

5. Meetings of Commission

- (1) The Commission shall meet at least three times each year.
- (2) Meetings of the Commission shall be held at the time and place determined by the Chief Land Claims Commissioner.
- (3) The majority of the members of the Commission shall form a quorum for a meeting of the Commission.
- (4) The decision of the majority of the members of the Commission present at any meeting thereof shall be a decision of the Commission: Provided that, in the event of an equality of votes, the Chief Land Claims Commissioner shall have a casting vote in addition to his or her deliberative vote.

6. General functions of Commission

- (1) The Commission shall, at a meeting or through the Chief Land Claims Commissioner, a regional land claims commissioner or a person designated by any such commissioner -
 - (a) subject to the provisions of [section 2](#), receive and acknowledge receipt of all claims for the restitution of rights in land lodged with or transferred to it in terms of this Act;
 - (b) take reasonable steps to ensure that claimants are assisted in the preparation and submission of claims;
 - (c) advise claimants of the progress of their claims at regular intervals and upon reasonable request;
 - (cA) investigate the merits of claims contemplated in paragraph (a);
 - (cB) mediate and settle disputes arising from such claims;
 - (d) subject to the provisions of [section 14](#), report to the Court on the terms of settlement in respect of successfully mediated claims;
 - (e) define any issues which may still be in dispute between the claimants and other interested parties with a view to expediting the hearing of claims by the Court; (eA) draw up reports on unsettled claims for submission as evidence to the Court and present any other relevant evidence to the Court;
 - (f) at regular intervals, take appropriate steps to make public information regarding the persons entitled to claim restitution of rights in land, the limitations imposed by [section 2](#), and the manner in which claims may be lodged with the Commission. [Subs. (1) substituted by s. 5 of Act 63/97]
- (2) The Commission may, at a meeting or through the Chief Land Claims Commissioner, a regional land claims commissioner or a person designated by any such commissioner -
 - (a) monitor and make recommendations concerning the implementation of orders made by the Court under [section 35](#);
 - (b) make recommendations or give advice to the Minister regarding the most appropriate form of alternative relief, if any, for those claimants who do not qualify for the restitution of rights in land in terms of this Act;
 - (c) on notice to interested parties, apply to the Court for a declaratory order on a question of law as contemplated in [section 22\(1\)\(cA\)](#);
[Para. (c) substituted by s. 3 of Act 78/96]
 - (d) ensure that priority is given to claims which affect a substantial number of persons, or persons who have suffered substantial losses as a result of dispossession or persons with particularly pressing needs;
 - (e) generally, do anything necessarily connected with or reasonably incidental to the expeditious finalisation of claims.
- (3) Where the regional land claims commissioner having jurisdiction or and interested party has reason to believe that the sale, exchange, donation, lease, subdivision, rezoning or development of land which may be the subject of any order of the Court, or in respect of which a person or community is entitled to claim restitution of a right in land, will defeat the achievement of the objects of this Act, he or she may -
 - (a) after a claim has been lodged in respect of such land; and

(b) after the owner of the land has been notified of such claim and referred to the provisions of this subsection; on reasonable notice to interested parties, apply to the Court for an interdict prohibiting the sale, exchange, donation, lease, subdivision, rezoning or development of the land, and the Court may, subject to such terms and conditions and for such period as it may determine, grant such an interdict or make any other order it deems fit. [Subs. (3) added by s. 3 of Act 78/96 and substituted by s. 5 of Act 63/97]

7. Delegation of powers and performance of functions

(1) The Commission may delegate any power conferred upon it by or under this Act to a subcommittee of the Commission or to a member of the Commission or to a person contemplated in [section 8](#) or [9](#) subject to such directions or conditions as the Commission may give or determine from time to time: Provided that the powers referred to in [section 6\(2\)\(b\)](#), (c) and (d) may not be delegated.

(2) The Chief Land Claims Commissioner may delegate any power conferred upon him or her by or under this Act except the power of delegation to the Deputy Land Claims Commissioner or any regional land claims commissioner, either generally or with regard to a specific claim.

(2A) The Director-General of Land Affairs may delegate any power conferred upon him or her by or under this Act except the power of delegation to any member of the Commission, any officer of the State or any person contemplated in [section 9](#). [Subs. (2A) inserted by s. 3 of Act 18/99]

(2B) A regional land claims commissioner may in consultation with the Chief Land Claims Commissioner and the Director General of Land Affairs delegate any power conferred upon him or her by or under this Act except the power of delegation to any other member of the Commission, any officer of the State or any person contemplated in [section 9](#). [Subs. (2B) inserted by s. 3 of Act 18/99]

(3) If the office of the Chief Land Claims Commissioner is vacant or if the Chief Land Claims Commissioner is absent or unable to perform any or all of his or her functions, the Deputy Land Claims Commissioner shall act in his or her stead and whilst the Deputy Land Claims Commissioner so acts, he or she shall perform all the functions of the Chief Land Claims Commissioner.

[Subs. (3) substituted by s. 3 of Act 18/99]

(3A) If the office of a regional land claims commissioner is vacant or if a regional land claims commissioner is absent or unable to perform any or all of his or her functions, an acting regional land claims commissioner appointed by the Minister shall act in his or her stead and whilst the acting regional land claims commissioner so acts, he or she shall perform all the functions of the regional land claims commissioner.

[Subs. (3A) inserted by s. 3 of Act 18/99]

(4) A regional land claims commissioner may, instead of performing any function in any particular case, refer the matter to the Commission for the Commission to perform such function at a meeting contemplated in [section 5](#).

8. Performance of work of Commission

(1) The work incidental to the performance of the functions of the Commission shall be performed by officers appointed and seconded to the Commission in terms of the provisions of the Public Service Act, 1994 (Proclamation No. 103 of 1994), and designated in general or for a specific purpose by the Minister after consultation with the Commission.

(2) In making a designation in terms of subsection (1), the Minister and the Commission shall seek to ensure that the staff of the Commission shall be broadly representative of the South African population.

(3) Designated officers shall perform their functions under the control and supervision of the Chief Land Claims Commissioner or regional land claims commissioner, as the case may be.

[S. 8 substituted by s. 2 of Act 61/98]

9. Appointment of persons or organisations to assist Commission on ad hoc basis

- (1) The Chief Land Claims Commissioner may from time to time -
- (a) appoint one or more persons or organisations with particular knowledge or specific expertise relevant to the achievement of the Commission's objects to advise the Commission regarding any matter connected with the performance of its functions;
 - (b) appoint one or more persons or organisations with specific expertise in relation to dispute resolution to facilitate meetings of interested parties, mediate and settle disputes, and report to the Commission in writing on the outcome of such negotiations;
 - (c) request any government department, provincial administration, local authority or person in the service of the State, a provincial administration or local authority who has particular knowledge or specific expertise to advise the Commission regarding any matter connected with the performance of its functions.
- (2) Payment for the services rendered by a person appointed in terms of subsection (1) who is not in the full-time service of the State or an organisation appointed in terms of subsection (1) in which the State has no material financial interest shall be made from moneys appropriated by Parliament for this purpose and shall be determined by the Minister in consultation with the Minister of Finance.

[S. 9 substituted by s. 4 of Act 78/96]

10. Lodgement of claims

- (1) Any person who or the representative of any community which is entitled to claim restitution of a right in land, may lodge such claim, which shall include a description of the land in question, the nature of the right in land of which he, she or such community was dispossessed and the nature of the right or equitable redress being claimed, on the form prescribed for this purpose by the Chief Land Claims Commissioner under [section 16](#).
- (2) The Commission shall make claim forms available at all its offices.
- (3) If a claim is lodged on behalf of a community the basis on which it is contended that the person submitting the form represents such community, shall be declared in full and any appropriate resolution or document supporting such contention shall accompany the form at the time of lodgement: Provided that the regional land claims commissioner having jurisdiction in respect of the land in question may permit such resolution or document to be lodged at a later stage.
- (4) If there is any dispute as to who legitimately represents a community for the purposes of any claim under this Act, the regional land claims commissioner having jurisdiction may in the manner prescribed in rules made by the Chief Land Claims Commissioner in terms of [section 16](#), in order to have a person or persons elected to represent the community -
- (a) take steps for drawing up a list of the names of the members of the community;
 - (b) direct that a meeting of such community be convened and an election be held at that meeting;
 - (c) take such other steps as may be reasonably necessary for the election.
- (5) In any election in terms of subsection (4) all members of the community of 18 years or older shall be entitled to vote.
- (6) In making the rules contemplated in subsection (4), the Chief Land Claims Commissioner shall have regard to the cultural values of the community.

[S. 10 substituted by s. 6 of Act 63/97]

11. Procedure after lodgement of claim

- (1) If the regional land claims commissioner having jurisdiction is satisfied that -
- (a) the claim has been lodged in the prescribed manner;
 - (b) the claim is not precluded by the provisions of [section 2](#); and
 - (c) the claim is not frivolous or vexatious, he or she shall cause notice of the claim to be published in the *Gazette* and shall take steps to make it known in the district in which the land in question is situated.

[Subs. (1) amended by s. 5 of Act 78/96 and substituted by s. 4 of Act 18/99]

(2) The regional land claims commissioner concerned may, on such conditions as he or she may determine, condone the fact that a claim has not been lodged in the prescribed manner.

(3) A frivolous or vexatious claim may be dismissed by the regional land claims commissioner concerned.

(4) If the regional land claims commissioner decides that the criteria set out in paragraphs (a), (b) and (c) of subsection (1) have not been met, he or she shall advise the claimant accordingly, and of the reasons for such decision.

[Subs. (4) substituted by s. 4 of Act 18/99]

(5) (a) If after an order has been made by the Court as contemplated in [section 35](#) or an agreement has been entered into as contemplated in [section 14\(3\)](#) or [42D](#), it is shown that another claim was lodged in terms of this Act in respect of the land to which the order or agreement relates, any interested party may apply to the Court for the rescission or variation of such order or the setting aside or variation of such agreement.

(b) The Court may grant such an application, subject to such terms and conditions as it may determine, or make any other order it deems fit.

[Subs. (5) substituted by s. 5 of Act 78/96, s. 7 of Act 63/97 and s. 4 of Act 18/99]

(5A) Where an appeal is pending in respect of an order of the Court contemplated in [section 35](#), an application for the rescission or variation of such order under subsection (5) shall be made to the Constitutional Court or the Supreme Court of Appeal, as the case may be.

[Subs. (5A) inserted by s. 4 of Act 18/99]

(6) Immediately after publishing the notice referred to in subsection (1), the regional land claims commissioner shall by notice in writing -

(a) advise the owner of the land in question and any other party which, in his or her opinion, might have an interest in the claim of the publication of the notice; and

(b) refer the owner and such other party to the provisions of subsection (7).

[Subs. (6) substituted by s. 5 of Act 78/96]

(7) Once a notice has been published in respect of any land -

(a) no person may in an improper manner obstruct the passage of the claim;

(aA) no person may sell, exchange, donate, lease, subdivide, rezone or develop the land in question without having given the regional land claims commissioner one month's written notice of his or her intention to do so, and, where such notice was not given in respect of -

(i) any sale, exchange, donation, lease, subdivision or rezoning of land and the Court is satisfied that such sale, exchange, donation, lease, subdivision or rezoning was not done in good faith, the Court may set aside such sale, exchange, donation, lease, subdivision or rezoning or grant any other order it deems fit;

(ii) any development of land and the Court is satisfied that such development was not done in good faith, the court may grant any order it deems fit;

(b) no claimant who occupied the land in question at the date of commencement of this Act may be evicted from the said land without the written authority of the Chief Land Claims Commissioner;

(c) no person shall in any manner whatsoever remove or cause to be removed, destroy or cause to be destroyed or damage or cause to be damaged, any improvements upon the land without the written authority of the Chief Land Claims Commissioner;

(d) no claimant or other person may enter upon and occupy the land without the permission of the owner or lawful occupier.

[Subs. (7) substituted by s. 5 of Act 78/96 and s. 7 of Act 63/97]

(8) The regional land claims commissioner may, at any time after the publication of a notice contemplated in subsection (1), if he or she has reason to believe that any improvement on the land is likely to be removed, damaged or destroyed or that any person resident on such land may be adversely affected as a result of the

publication of such notice, authorise any person contemplated in [section 8](#) or [9](#) to enter upon such land for the purpose of drawing up an inventory of any assets on the land, a list of persons employed or resident on the land, or a report on the agricultural condition of the land and of any excavations, mining or prospecting thereon.

11A. Withdrawal or amendment of notice of claim

(1) Any person affected by the publication of the notice of a claim in terms of [section 11](#)(1) may make representations to the regional land claims commissioner having jurisdiction for the withdrawal or amendment of that notice.

(2) Where during the investigation of a claim by the Commission the regional land claims commissioner having jurisdiction has reason to believe that any of the criteria set out in paragraphs (a), (b) and (c) of [section 11](#)(1) have not been met, he or she shall publish in the *Gazette* and send by registered post to

-
(a) the claimant;

(b) the owner; and

(c) where applicable, a person who has made representations in terms of subsection (1) and any other party, who to his or her knowledge, may have an interest in the claim, a notice stating that at the expiry of the period mentioned in the notice, the notice of the claim published in terms of that section will be withdrawn unless cause to the contrary has been shown to his or her satisfaction.

[Subs. (2) amended by s. 5 of Act 18/99]

(3) At the expiry of the period contemplated in subsection (2), the regional land claims commissioner shall, unless cause to the contrary has been shown to his or her satisfaction, withdraw the notice of claim and -

(a) advise the persons mentioned in that subsection by notice sent by registered post;

(b) cause notice of his or her decision to be published in the *Gazette*; and

(c) take other steps to make his or her decision known in the district in which the land in question is situated.

(4) The regional land claims commissioner having jurisdiction may, during the investigation of a claim by the Commission and after following the procedure set out in subsection (2), unless cause to the contrary has been shown to his or her satisfaction, amend the notice published in terms of [section 11](#)(1), whereafter the provisions of paragraphs (a), (b) and (c) of subsection (3) shall apply *mutatis mutandis*: Provided that the regional land claims commissioner may, without following the procedure set out in subsection (2), amend the notice to correct any obvious error in it, and cause notice of his or her decision to be published in the *Gazette*.

[S. 11A inserted by s. 6 of Act 78/96]

12. Commission's power of investigation

(1) The Commission may, through a member of the Commission or any person authorised thereto in writing, in order to carry out its functions -

(a) conduct an investigation;

(b) demand from any person including any government department such particulars, documents and information as may be necessary in connection with any investigation;

(c) by notice in writing, addressed and delivered by a member of the staff of the Commission or a sheriff to any person, direct such person, in relation to an investigation, to appear before a member of the Commission at a time and place mentioned in such notice and to produce to such member all documents or objects in the possession or custody or under the control of such person and which are relevant to that investigation.

(2) Any person directed to produce documents or objects in terms of subsection

(1)(c) shall not be compelled to produce any document or object which could be used in evidence against him or her in a criminal trial.

(3) If a claimant is not able to provide all the information necessary for the adequate submission or investigation of a claim, the regional land claims commissioner concerned shall direct an officer contemplated in [section 8](#) to take all reasonable steps to have this information made available.

(4) If at any stage during the course of an investigation by the Commission, the Chief Land Claims Commissioner is of the opinion that the resources of the Commission or the Court would be more effectively utilised if all claims for restitution in respect of the land, or area or township in question, were to be investigated at the same time, he or she shall cause to be published in the *Gazette* and in such other manner as he or she deems appropriate, a notice advising potential claimants of his or her decision and inviting them, subject to the provisions of [section 2](#), to lodge claims within a period specified in such notice.

[Subs. (4) substituted by s. 8 of Act 63/97]

(5) No claim in respect of a matter contemplated in subsection (4) shall be lodged after the expiry of the period specified in the said notice: Provided that the Commission may allow a claimant on good cause shown, to lodge a claim after the expiry of such period, but not later than 31 December 1998.

[Subs. (5) substituted by s. 8 of Act 63/97]

13. Mediation

(1) If at any stage during the course of the Commission's investigation it becomes evident that -

(a) there are two or more competing claims in respect of the same land;

[Para. (a) substituted by s. 9 of Act 63/97]

(b) in the case of a community claim, there are competing groups within the claimant community making resolution of the claim difficult;

(c) where the land which is subject to the claim is not stateowned land, the owner or holder of rights in such land is opposed to the claim; or

(d) there is any other issue which might usefully be resolved through mediation and negotiation, the Chief Land Claims Commissioner may direct the parties concerned to attempt to settle their dispute through a process of mediation and negotiation.

(2) (a) A direction contemplated in subsection (1) shall be made in a written notice specifying the time when and the place where such process is to start.

(b) The Chief Land Claims Commissioner shall appoint a mediator to chair the first meeting between the parties: Provided that the parties may at any time during the course of mediation or negotiation by agreement appoint another person to mediate the dispute.

(3) A person appointed by the Chief Land Claims Commissioner in terms of subsection (2)(b) shall either be an officer contemplated in [section 8](#) who is a fit and proper person to conduct such a process of mediation and negotiation or an independent mediator contemplated in [section 9\(1\)\(b\)](#).

(4) All discussions taking place and all disclosures and submissions made during the mediation process shall be privileged, unless the parties agree to the contrary.

14. Referral of claims to Court

(1) If upon completion of an investigation by the Commission in respect of specific claim -

(a) the parties to any dispute arising from the claim agree in writing that it is not possible to settle the claim by mediation and negotiation;

(b) the regional land claims commissioner certifies that it is not feasible to resolve any dispute arising from such claim by mediation and negotiation; or

(c)

(d) the regional land claims commissioner is of the opinion that the claim is ready for hearing by the Court, the regional land claims commissioner having jurisdiction shall certify accordingly and refer the matter to the Court.

[Subs. (1) substituted by s. 6 of Act 18/99]

(2) Any claim referred to the Court as a result of a situation contemplated in subsection (1)(a), (b) or (d) shall be accompanied by a document -

(a) setting out the results of the Commission's investigation into the merits of the claim;

- (b) reporting on the failure of any party to accede to mediation;
 - (c) containing a list of the parties who have an interest in the claim;
- [Para. (c) substituted by s. 7 of Act 78/96]
- (d) setting out the Commission's recommendation as to the most appropriate manner in which the claim can be resolved.
- (3) If in the course of an investigation by the Commission the interested parties enter into a written agreement as to how the claim should be finalised and the regional land claims commissioner having jurisdiction certifies in writing that he or she is satisfied with the agreement and that the agreement ought not to be referred to the Court, the agreement shall be effective only from the date of such certification or such later date as may be provided for in the agreement.
- [Subs. (3) substituted by s. 6 of Act 18/99]
- (3A) If the regional land claims commissioner having jurisdiction is of the opinion that -
- (i) a question of law arising out of the agreement needs to be resolved;
 - (ii) there is doubt as to whether or not all parties who have an interest in the claim are parties to the agreement;
 - (iii) there is doubt as to the validity of the agreement or any part of it;
 - (iv) there is doubt as to the feasibility of the implementation of the agreement;
 - (v) the agreement does not comply with [section 42D\(2\)](#);
 - (vi) the agreement is not just and equitable in respect of any party;
 - (vii) the agreement is contrary to any provision of the Act;
 - (viii) the authority of any signatory is in doubt;
 - (ix) the agreement is vague or contradictory;
 - (x) the parties to the agreement agree that it is desirable that the agreement be made an order of Court;
 - (xi) the agreement ought to be referred to the Court for any other good reason, he or she may refer the matter to the Court.
- [Subs. (3A) inserted by s. 6 of Act 18/99]
- (4) A referral under subsection (3A) shall be accompanied by a copy of the relevant deed of settlement and a report containing -
- (a) concise information about the background to the claim and the settlement;
 - (b) information necessary for the Court to establish whether or not it has jurisdiction;
 - (c) the reasons for the referral of the matter to the Court; and
 - (d) the regional land claims commissioner's recommendations, if any, as to how the matter should be dealt with.
- [Subs. (4) substituted by s. 6 of Act 18/99]
- (5) Any interested party shall be entitled, upon payment of the prescribed fee, to copies of the documents contemplated in this section, including the submissions of other interested parties in relation to any matter contemplated in this section.
- (5A).....
- [Subs. (5A) inserted by s. 7 of Act 78/96 and deleted by s. 10 of Act 63/97]
- (6) Subject to the provisions of [Chapter IIIA](#), the Court shall not make any order in terms of [section 35](#) unless the Commission has, in respect of the claim in question, acted in accordance with the provisions of this section: Provided that the Court may, on good cause shown, condone any noncompliance with the provisions of this section.
- [Subs. (6) substituted by s. 10 of Act 63/97 and amended by s. 6 of Act 18/99]
- (7)
- [Subs. (7) deleted by s. 7 of Act 78/96]
- 15.**

[S. 15 amended by s. 8 of Act 78/96 and repealed by s. 11 of Act 63/97]

16. Rules regarding procedure of Commission

(1) After consultation with the Minister, the Chief Land Claims Commissioner may make rules regarding -

- (a) any matter which, in terms of this Chapter, is required or permitted to be prescribed;
- (b) the filing of claims;
- (c) any steps which may be taken to give public notice of claims and notice to persons who have an interest in any matter under investigation by the Commission;
- (d) the giving of notice to parties to attend a meeting for the purpose of mediating or negotiating the settlement of disputes;
- (e) the giving of notice to parties and public notices giving notice that the Commission will consider any related claims in respect of specific land, a neighbourhood or township within a stipulated period;
- (f) the order of preference to be given to claims or categories of claims in order to achieve the result contemplated in [section 6\(2\)\(d\)](#); and
- (g) generally, with regard to any other matter which he or she considers it necessary or expedient to prescribe in order to achieve or promote the objects of this Act.

(2) The generality of subsection (1) shall not be limited by the preceding sections of this Chapter.

(3) Rules made under the provisions of subsection (1) shall be published in the *Gazette*.

17. Offences and penalties

Any person who -

- (a) contravenes the provisions of [section 11\(7\)\(a\)](#), (aA), (b), (c), or (d);

[Para. (a) substituted by s. 12 of Act 63/97]

- (b) having been directed to appear before a member of the Commission and to produce documents or objects in terms of [section 12\(1\)\(c\)](#), fails to appear at the specified time and place or to produce such documents or objects;

- (c) hinders or obstructs the Commission in the performance of its functions;

- (d) prevents or attempts to prevent a duly authorised officer contemplated in [section 8](#), or a person or organisation appointed in terms of [section 9](#), from performing a function in terms of this Act,

[Para. (d) substituted by s. 12 of Act 63/97]

shall be guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding three months.

18. Limitation of liability

The Commission, members of the Commission, any person or organisation appointed under [section 9](#) or any officer contemplated in [section 8](#), shall not be liable in respect of any act or omission in good faith while performing a function in terms of any provision of this Act.

[S. 18 substituted by s. 9 of Act 78/96]

19. Expenditure of Commission

(1) All expenditure in connection with the performance of the Commission's functions shall be defrayed from moneys appropriated by Parliament for such purpose.

(2) A person appointed in terms of [section 4\(3\)](#) who is not in the full-time service of the State may, from moneys appropriated by Parliament for such purpose, be paid such remuneration and allowances in respect of services performed in connection with the functions of the Commission, as may be determined by the Minister in consultation with the Minister of Finance.

20. Annual estimates of expenditure

The estimates of expenditure in respect of each financial year shall, after being prepared by the Chief Land Claims Commissioner or an official contemplated in [section 8\(1\)](#) and designated by the Chief Land Claims

Commissioner, be submitted, not later than the first day of August of the preceding financial year to the Director-

General of Land Affairs, who shall be the accounting officer.

21. Annual report

The Commission shall annually not later than the first day of June submit to Parliament a report on all its activities during the previous year, up to 31 March.

CHAPTER III

THE LAND CLAIMS COURT

22. Land Claims Court

(1) There shall be a court of law to be known as the Land Claims Court which shall have the power, to the exclusion of any court contemplated in [section 166](#) (c), (d) or (e) of the Constitution -

(a) to determine a right to restitution of any right in land in accordance with this Act;

(b) to determine or approve compensation payable in respect of land owned by or in the possession of a private person upon expropriation or acquisition of such land in terms of this Act;

(c) to determine the person entitled to title to land contemplated in [section 3](#);

(cA) at the instance of any interested person and in its discretion, to grant a declaratory order on a question of law relating to [section 25](#)(7) of the Constitution or to this Act or to any other law or matter in respect of which the Court has jurisdiction, notwithstanding that such person might not be able to claim any relief consequential upon the granting of such order;

(cB) to determine whether compensation or any other consideration received by any person at the time of any dispossession of a right in land was just and equitable;

(cC) to determine any matter involving the interpretation or application of this Act or the Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996), with the exception of matters relating to the definition of “occupier” in [section 1](#) (1) of the Extension of Security of Tenure Act,

1997 (Act No. 62 of 1997); [Para. (cC) substituted by s. 4 of Act 11/2000] (cD) to decide any constitutional matter in relation to this Act or the Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996). (cE) to determine any matter involving the validity, enforceability, interpretation or implementation of an agreement contemplated in [section 14](#)(3), unless the agreement provides otherwise; [Para. (cE) inserted by s. 7 of Act 18/99] (d) to determine all other matters which require to be determined in terms of this Act.

[Subs. (1) amended by s. 10 of Act 78/96 and substituted by s. 13 of Act 63/97]

(2) Subject to [Chapter 8](#) of the Constitution, the Court shall have jurisdiction throughout the Republic and shall have -

(a) all such powers in relation to matters falling within its jurisdiction as are possessed by a High Court having jurisdiction in civil proceedings at the place where the land in question is situated, including the powers of a High Court in relation to any contempt of the Court;

(b) all the ancillary powers necessary or reasonably incidental to the performance of its functions, including the power to grant interlocutory orders and interdicts;

(c) the power to decide any issue either in terms of this Act or in terms of any other law, which is not ordinarily within its jurisdiction but is incidental to an issue within its jurisdiction, if the Court considers it to be in the interests of justice to do so.

[Para. (c) added by s. 7 of Act 18/99]

[Subs. (2) substituted by s. 10 of Act 78/96 and s. 13 of Act 63/97]

(3) There shall be a President of the Court, who shall be appointed by the President of the Republic, acting on the advice of the Judicial Service Commission.

(4) The President of the Republic may, after consultation with the President of the Court and the Judicial Service Commission, appoint additional judges of the Court.

(5) The President of the Court and the additional judges of the Court may be appointed for a fixed term.

(6) A judge of a High Court may be seconded to serve as a judge of the Court.

[Subs. (6) amended by s. 13 of Act 63/97]

(7) The President of the Republic shall designate a judge of the Court to act as President of the Court during the absence of the President of the Court.

[Subs. (7) added by s. 1 of Act 84/95]

(8) If there is sufficient reason the President of the Republic may, after consultation with the President of the Court, appoint an acting judge of the Court for such term as the President of the Republic shall determine: Provided that the Minister of Justice, after consultation with the President of the Court, may make such an appointment in respect of a term not exceeding one month.

[Subs. (8) added by s. 1 of Act 84/95 and substituted by s. 10 of Act 78/96]

(9) (a) Proceedings in which a judge of the Court has participated and which have not been disposed of at the termination of his or her term of service or, having been disposed of before or after such termination, are reopened, shall be disposed of by that judge.

(b) For the purposes of paragraph (a) any appointment made under this section shall be deemed also to have been made for the time in which the proceedings referred to in paragraph (a) are being disposed of.

[Subs. (9) added by s. 1 of Act 84/95]

23. Qualifications of judges of Court

No person shall be qualified to be appointed President of the Court or a judge of the Court unless he or she -

(a) is a South African citizen;

(b) is a fit and proper person to be a judge of the Court; and

(c) (i) is a judge of a High Court or is qualified to be admitted as an advocate or attorney and has, for a cumulative period of at least ten years, practised as an advocate or an attorney or lectured in law at a university; or

[Sub-para. (i) amended by s. 14 of Act 63/97]

(ii) by reason of his or her training and experience, has expertise in the fields of law and land matters relevant to the application of this Act and the law of the Republic.

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[S. 24 repealed by s. 15 of Act 63/97]

25. Holding of office

(1) The provisions of [sections 174\(8\) and 177](#) of the Constitution with regard to making of an oath or a solemn affirmation and the removal or suspension of judges shall apply *mutatis mutandis* to judges of the Court.

[Subs. (1) substituted by s. 16 of Act 63/97]

(2) An assessor shall take an oath or make a solemn affirmation that he or she will, on the evidence placed before him or her, give a true verdict or considered opinion upon the issues to be tried.

(3) An assessor's oath or affirmation shall be administered by the presiding judge at the commencement of the hearing of every matter, before any evidence is led.

[S. 25 substituted by s. 11 of Act 78/96]

26. Remuneration and conditions of employment of judges

(1) The President and a judge of the Court not being a judge of a High Court, shall receive such remuneration and shall, subject to [section 22\(5\)](#), be appointed subject to such conditions of employment as determined by the President of the Republic in consultation with the Judicial Service

Commission, and his or her remuneration shall not be reduced during his or her term of service.

[Subs. (1) amended by s. 17 of Act 63/97]

(2) Notwithstanding anything to the contrary contained in any other law, a gratuity included in the remuneration determined in terms of subsection (1) and payable after vacation of office, shall not be taxable.

[Subs. (2) inserted by s. 12 of Act 78/96]

(3) An allowance included in the remuneration determined in terms of subsection

(1) shall not be taxable, unless Parliament expressly provides otherwise.

[Subs. (3) inserted by s. 12 of Act 78/96]

(4) The President and a judge of the Court may be paid such allowances for travelling and subsistence expenses incurred by him or her in the performance of his or her functions in terms of this Act as the Minister of Justice may determine with the concurrence of the Minister of Finance.

[Subs. (4), previously Subs. (2), substituted by s. 12 of Act 78/96]

(5) The provisions of subsections (1), (3) and (4) shall apply also to a person appointed under [section 22](#)(7) and (8).

[Subs. (5), previously Subs. (3), substituted by s. 12 of Act 78/96]

[S. 26 substituted by s. 2 of Act 84/95]

26A. Secondment of judges and appointment of acting judges to Land Claims

Court

(1) Notwithstanding [sections 22](#)(3), (4), (5), (6), (7), (8) and (9), [23](#), [25](#) and [26](#), the Minister of Justice must, after consultation with the Minister, at the expiry of the fixed term contemplated in [section 22](#)(5) cause such number of judges of the High Court as may be necessary to be seconded to serve as judges of the Court.

(2) The Minister may request the Minister of Justice to appoint an acting judge of the Court in accordance with [section 175](#)(2) of the Constitution for such period as may be necessary.

(3) The President of the Republic shall, after consultation with the Minister of Justice, designate one of the seconded judges or an acting judge appointed under subsection (2), to act as President of the Court.

(4) Proceedings in which -

(a) a seconded judge or acting judge has participated and which have not been disposed of during the secondment or the term of service or, having been disposed of before or after such secondment or term, are reopened; or

(b) a judge of the Court appointed under [section 22](#) has participated and which have not been disposed of at the expiry of the fixed term contemplated in subsection (1) or, having been disposed of before or after such expiry, are reopened, must be disposed of by that judge.

[S. 26A inserted by s. 5 of Act 11/2000]

27. Appointment of assessors

(1) The assessors contemplated in [section 28](#)(4) shall be appointed by the presiding judge from a list compiled from time to time by the Minister after -

(a) inviting nominations from the general public; and

(b) consultation with the President of the Court.

(2) An assessor of the Court shall be a person who, in the opinion of the Minister, has skills and knowledge relevant to the work of the Court: Provided that it shall not be a requirement that an assessor shall have any legal qualifications.

(3) An assessor shall receive such remuneration and be entitled to such benefits as may be determined by the Minister of Justice in consultation with the Minister of Finance and the President of the Court.

[S. 27 substituted by s. 13 of Act 78/96]

28. Seat and hearings of Court

(1) The seat or seats of the Court shall be determined by the Minister of Justice in consultation with the President of the Court.

(2) The Court may notwithstanding the provisions of subsection (1) conduct hearings at any other place in the Republic with a view to making the Court accessible to claimants.

(3) Hearings of the Court shall be presided over by a single judge unless the President of the Court or in his or her absence the most senior available judge decides to the contrary.

- (4) At least one assessor shall assist the Court at a contested hearing of -
(a) any claim which has been referred to the Court in terms of [section 14](#);
(b) any application in terms of [section 34](#); and
(c) any application in terms of [Chapter IIIA](#):

Provided that this requirement shall not apply in respect of -

- (i) any hearing where the only matters in dispute are questions of law;
(ii) any interlocutory or preliminary hearing or pre-trial proceedings, unless the Court decides otherwise;
[Sub-para. (ii) substituted by s. 8 of Act 18/99]
(iii) any proceedings dealing with contempt of the Court.

[Subs. (4) substituted by s. 14 of Act 78/96 and s. 18 of Act 63/97]

(5) An assessor, other than an assessor contemplated in subsection (6), shall be a member of the Court and the decision or finding of the majority of the members of the Court shall be the decision or finding of the Court: Provided that an assessor shall not decide upon a question of law or upon a question whether or not any matter constitutes a question of law: Provided further that a decision in respect of a matter referred to in [section 33](#) or [34](#)(6) shall be deemed not to be a question of law.

[Subs. (5) substituted by s. 14 of Act 78/96]

(6) In any proceedings, other than those contemplated in paragraphs (a) and (b) of subsection (4), the Court may summon to its assistance no more than two assessors to act in an advisory capacity.

[Subs. (6) added by s. 14 of Act 78/96]

(7) Subject to the provisos to subsection (5), in the event of an equality of votes -

- (a) at a hearing where one or more members of the Court are assessors, the vote of the judge, or, if there is more than one judge, the vote of the majority of the judges, shall prevail;
(b) at any other hearing, the hearing shall be adjourned and commenced before a new court constituted in such manner as the President of the Court or, in his or her absence, the most senior available judge may determine.

[Subs. (7) added by s. 14 of Act 78/96]

(8) If at any stage during the hearing of any matter where two or more judges are members of the Court, any judge of such Court dies or retires or is otherwise incapable of acting or is absent, the hearing shall proceed before the remaining members of such Court: Provided that such members shall include at least one judge.

[Subs. (8) added by s. 14 of Act 78/96]

(9) If at any stage during the hearing of any matter an assessor who is a member of the Court dies or, in the opinion of the presiding judge, becomes unable to act as assessor or is absent, the presiding judge may direct -

- (a) that the hearing proceed before the remaining member or members of the Court; or
(b) that the hearing shall commence de novo, unless all the parties to the proceedings agree unconditionally in writing to accept the decision of the remaining member or members as the decision of the Court.

[Subs. (9) added by s. 14 of Act 78/96]

(10) Subsections (5) and (7) shall apply *mutatis mutandis* when a hearing proceeds before the remaining member or members of the Court in the circumstances set out in subsection (8) or (9).

[Subs. (10) added by s. 14 of Act 78/96]

28A. Seals of Court

The Court shall have for use as occasion may require, a seal of such design as may be prescribed by the President of the Republic by proclamation in the *Gazette* and such seal shall be kept in the custody of the registrar of the Court.

[S. 28A inserted by s. 15 of Act 78/96]

28B. Proceedings to be conducted in open court

All hearings in the Court shall, except in so far as the Court may in special cases direct otherwise, be conducted in open court.

[S. 28B inserted by s. 15 of Act 78/96]

28C.Reference of particular matters for investigation by referee

- (1) In any proceedings the Court may, with the consent of the parties, refer -
- (a) any matter which requires extensive examination of documents or scientific, technical or local investigation which cannot be conveniently conducted by the Court;
 - (b) any matter which relates wholly or in part to accounts; or
 - (c) any other matter arising in such proceedings, for enquiry and report to a referee, and the Court may, after hearing such evidence or arguments as may be adduced or presented by the parties -
 - (i) adopt the report of any such referee, either wholly or in part, and either with or without modifications;
 - (ii) remit such report for further enquiry or report or consideration by such referee; or
 - (iii) make any other order in regard thereto.
- (2) Any finding in such report or any part thereof which is adopted by the Court, whether with or without modifications, shall have effect as if it were a finding by the Court in the proceedings in question.
- (3) Any such referee shall for the purpose of such enquiry have such powers and shall conduct the enquiry in such manner as may be prescribed by a special order of court or by the rules.
- (4) For the purpose of procuring the attendance of any witness, including any witness detained in custody under any law, and the production of any document or thing before a referee, an enquiry under this section shall be deemed to be proceedings before the Court: Provided that the referee shall not have jurisdiction in respect of the criminal offences created by this section.
- (5) Any person summoned to appear and give evidence or produce any document or thing before a referee, and who, without sufficient cause -
- (a) fails to attend at the time and place specified or to remain in attendance until the conclusion of the enquiry or until he or she is excused by the referee from further attendance;
 - (b) refuses to be sworn or to make affirmation as a witness;
 - (c) having been sworn or having made affirmation as a witness, fails, without just excuse, to answer fully and satisfactorily any question put to him or her;
 - (d) fails to produce any document or thing in his or her possession or custody or under his or her control which he or she was summoned to produce, shall be guilty of an offence and liable on conviction either by the Court by way of the procedures set out in [section 28F](#) or by a criminal court having jurisdiction, to a fine or to imprisonment for a period not exceeding three months.
- (6) Any person who, after having been sworn or having made affirmation, gives false evidence before a referee at any enquiry, knowing such evidence to be false or not knowing or believing it to be true, shall be guilty of an offence and liable on conviction to the penalties prescribed by law for perjury.
- (7) Any referee shall be entitled to such fees as may be prescribed by the rules or, if no such fees have been so prescribed, to such fees as the Court may determine, and to any reasonable expenditure incurred by him or her for the purposes of the enquiry, and any such fees and expenditure shall be taxed by the taxing master of the Court and shall be costs in the cause: Provided that the Court may order the State to pay the said fees and expenditure.

[S. 28C inserted by s. 15 of Act 78/96]

28D. No process to be issued against judge of Court except with consent of court

- (1) Notwithstanding anything to the contrary contained in any law, no summons or subpoena against the President or any other judge of the Court shall in any civil action be issued out of any court without the consent of such court:
- Provided that no such summons or subpoena shall be issued out of a lower court unless a High Court which has jurisdiction to hear and determine an appeal in a civil action from such lower court, has consented thereto.

[Subs. (1) amended by s. 19 of Act 63/97]

(2) Where the issuing of a summons or subpoena against a judge of the Court to appear in a civil action has been consented to, the date upon which such judge must attend court shall be determined in consultation with the President of the Court or, in his or her absence, the most senior available judge of the Court.

(3) For the purposes of subsection (1) “lower court” means any court, other than the Constitutional Court, the Supreme Court of Appeal or a High Court, which is required to keep a record of its proceedings, and includes a court of a regional division and a magistrate’s court established in terms of the Magistrates’ Courts Act, 1944 (Act No. 32 of 1944).

[Subs. (3) substituted by s. 19 of Act 63/97]

[S. 28D inserted by s. 15 of Act 78/96]

28E. Judgment by default

A judgment by default may be granted by the Court in the manner and in the circumstances prescribed in the rules: Provided that the Court shall be satisfied that there was proper service of the process by which the case was initiated.

[S. 28E inserted by s. 15 of Act 78/96]

28F. Manner of securing attendance of witnesses or production of any document or thing in proceedings before Court

(1) A party to proceedings before the Court may procure the attendance of any witness or the production of any document or thing in the manner provided for in the rules.

(2) Whenever any person subpoenaed to attend any proceedings before the Court as a witness or to produce any document or thing fails without reasonable excuse to obey the subpoena and it appears from the return of the proper officer or from evidence given under oath that the subpoena was served upon the person to whom it is directed and that his or her reasonable expenses calculated in accordance with the tariff referred to in [section 28M](#) have been paid or offered to him or her, or that he or she is evading service of the subpoena, or if any person who has attended in obedience to a subpoena fails to remain in attendance until excused, the Court may issue a warrant directing that he or she be arrested and brought before the Court at a time and place stated in the warrant or as soon thereafter as possible.

(3) A person arrested under any such warrant may be detained thereunder before the Court or in any prison or lock-up or other place of detention or in the custody of the person who is in charge of him or her with a view to securing his or her presence as a witness or to produce any document or thing at the said proceedings: Provided that the Court may release him or her on a recognizance with or without sureties for his or her appearance to give evidence or to produce any document or thing as required and for his or her appearance at the enquiry referred to in subsection (4).

(4) The Court may in a summary manner, enquire into such person’s evasion of the service of the subpoena or failure to obey the subpoena or to remain in attendance, and may, if it finds such person guilty, sentence him or her to a fine or to imprisonment for a period not exceeding three months.

(5) Any sentence imposed by the Court under subsection (4) shall be enforced and shall be subject to appeal as if it were a sentence imposed in a criminal case.

(6) If a person who has entered into any recognizance for his or her appearance to give evidence at such proceedings or to produce any document or thing or for his or her appearance at any enquiry referred to in subsection (4) fails so to appear, he or she may, apart from the forfeiture of his or her recognizance, be dealt with as if he or she had failed to obey a subpoena to attend such proceedings or appear at such enquiry.

[S. 28F inserted by s. 15 of Act 78/96]

28G. Manner in which witnesses may be dealt with on refusal to give evidence or produce any document or thing

(1) Whenever any person who appears either in obedience to a subpoena or by virtue of a warrant issued under [section 28F](#) or is present and is verbally required by the Court to give evidence in any proceedings

refuses to be sworn or to make an affirmation, or, having been sworn or having made an affirmation, without any just excuse refuses or fails to answer such questions as are put to him or her, or to produce any document or thing which he or she is required to produce the Court may adjourn the proceedings for any period not exceeding eight days and may, in the meantime, by warrant commit the person so refusing or failing to prison unless he or she consents to do what is required of him or her.

(2) If at the resumed hearing of the proceedings, any person referred to in subsection (1) again refuses without just excuse to do what is so required of him or her, the Court may again adjourn the proceedings and commit him or her to prison for a like period and so again from time to time until such person consents to do what is required of him or her.

(3) Nothing contained in this section shall prevent the Court from giving judgment in any case or otherwise disposing of the proceedings according to any other sufficient evidence taken.

(4) No person shall be bound to produce any document or thing not specified or otherwise sufficiently described in the subpoena unless he or she actually has it in court.

(5) When a subpoena is issued to procure the attendance of any person to give evidence or to produce any book, paper, document or thing in any proceedings before the Court, and it appears -

(a) that he or she is unable to give any evidence or to produce any book, paper, document or thing which would be relevant to any issue in such proceedings;

(b) that to compel him or her to attend would be an abuse of the judicial process, the Court may, notwithstanding anything contained in this section, after reasonable notice by the registrar of the Court to the party who sued out of the subpoena and after hearing that party in chambers if he or she appears, make an order cancelling such subpoena.

[S. 28G inserted by s. 15 of Act 78/96]

28H. Examination by interrogatories of persons whose evidence is required in proceedings before Court

(1) The Court may in connection with any proceedings pending before it, order that the evidence of a person who resides or is for the time being outside the area of jurisdiction of the Court be taken by means of interrogatories.

(2) Whenever an order is made under subsection (1), the registrar of the Court shall certify that fact and transmit a copy of his or her certificate to a commissioner of the Court, together with any interrogatories duly and lawfully framed which it is desired to put to the said person and the fees and the amount of the expenses payable to the said person for his or her appearance as hereinafter provided.

(3) Upon receipt of the aforesaid certificate and of the interrogatories and amounts aforesaid, the commissioner shall summon the said person to appear before him or her, and upon his or her appearance shall take his or her evidence as if he or she were a witness in proceedings before the Court, and shall put to him or her the interrogatories aforesaid with any other questions calculated to obtain full and true answers to the said interrogatories and shall take down or cause to be taken down the evidence so obtained, and shall transmit the same, certified as correct, to the registrar of the Court.

(4) The commissioner shall further transmit to the said registrar a certificate showing the amount paid to the person concerned in respect of the expenses of his or her appearance, and the cost of the issue and service of the process for summoning such person before him or her.

(5) Any person summoned to appear as provided in this section who without reasonable excuse fails to appear at the time and place mentioned in the summons, shall be guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding three months.

(6) Any interrogatories taken and certified under this section, shall, subject to all lawful exceptions, be received as evidence in the aforesaid proceedings.

[S. 28H inserted by s. 15 of Act 78/96]

28I. Appointment of officers of Court

(1) The Minister of Justice may, subject to the laws governing the public service, appoint registrars, assistant registrars and other officers for the Court whenever they may be required for the administration of justice or the execution of the functions of the Court.

(2) Whenever by reason of absence or incapacity a registrar or assistant registrar is unable to carry out the functions of his or her office, or his or her office becomes vacant, the Minister of Justice may authorise any other competent officer in the public service to act in the place of the absent or incapacitated officer during such absence or incapacity or to act in the vacant office until the vacancy is filled.

[Subs. (2) amended by s. 20 of Act 63/97 and s. 43 of Act 30/2007]

(3) Any officer in the public service appointed under subsection (1) may simultaneously hold more than one of the offices mentioned in that subsection.

(4) (a) The President of the Court may, in consultation with the Minister of Justice, from time to time, appoint one or more persons to undertake such research or perform such duties for the Court as the President of the Court may determine.

(b) The remuneration and other terms and conditions of service of a person appointed in terms of paragraph (a) shall be as determined, either generally or in any specific case, by the President of the Court in consultation with the accounting officer referred to in [section 28J](#)(3).

(5) The Minister of Justice may delegate to an officer in the Department of Justice any of the powers vested in him or her by this section.

[S. 28I inserted by s. 15 of Act 78/96]

28J. Finances and accountability

(1) Expenditure in connection with the administration and functioning of the Court shall be defrayed from monies appropriated by Parliament for such purpose.

(2) Requests for the funds needed for the administration and functioning of the Court, as determined by the President of the Court after consultation with the Minister of Justice, shall be addressed to Parliament by the Minister of Justice in the manner prescribed for the budgetary process of Departments of State.

(3) The Director-General of Justice or an officer of the Department of Justice designated by him or her for such purpose shall, subject to the Exchequer Act, 1975(Act No. 66 of 1975) -

(a) be charged with the responsibility of accounting for money received or paid out for or on account of the administration and functioning of the Court; and

(b) cause the necessary accounting and other related records to be kept, which records shall be audited by the Auditor-General appointed in terms of [section 193](#) of the Constitution.

[Para. (b) substituted by s. 21 of Act 63/97]

[S. 28J inserted by s. 15 of Act 78/96]

28K. Scope and execution of process of Court

(1) The process of the Court shall run throughout the Republic and its sentences, rulings, judgments, writs, summonses, orders, warrants, commands and other processes shall be executed in any area in like manner as if they were processes of the provincial division of the Supreme Court having jurisdiction in such area.

(2) A sheriff or a deputy sheriff of the Supreme Court appointed for the area in which any process is to be served, shall execute all sentences, rulings, judgments, writs, summonses, orders, warrants, commands and other processes of the Court directed to him or her and any reference in this Act to

a sheriff or a deputy sheriff shall be deemed to be a reference to a sheriff or deputy sheriff of the Supreme Court acting in terms of this section.

(3) A sheriff or deputy sheriff performing his or her duties in terms of this Act shall have all the powers and rights and be subject to all the obligations and duties applicable to the execution by such sheriff or deputy sheriff of the process of the provincial division of the Supreme Court for which he or she is appointed.

(4) The return of a sheriff or a deputy sheriff of what has been done in connection with any process of the Court, shall be prima facie evidence of the matters therein stated.

(5) A refusal by the sheriff or any deputy sheriff to do any act which he or she is, in terms of this Act, empowered or obliged to do, shall be subject to review by the Court on application ex parte or on notice as the circumstances may require.

(6) Any warrant or other process for the execution of a judgment given or order issued against any association of persons, corporate or unincorporated, partnership or firm may be executed by attachment of the property or assets of such association, partnership or firm.

[S. 28K inserted by s. 15 of Act 78/96]

28L. Offences relating to execution

Any person who is guilty of the conduct referred to in [section 40](#) of the Supreme Court Act, 1959 (Act No. 59 of 1959), in relation to the execution by a sheriff or deputy sheriff of his or her duties in terms of this Act, shall be guilty of an offence and liable on conviction to a fine or to imprisonment for a period not exceeding six months.

[S. 28L inserted by s. 15 of Act 78/96]

28M. Witness fees

(1) A witness in any proceedings of the Court and any person who accompanies any such witness on account of the youth or infirmity of such witness, shall be paid such allowances as may be prescribed in terms of [section 42](#) of the Supreme Court Act, 1959.

(2) Notwithstanding anything to the contrary contained in any other law, the Court may order that no allowances or only a portion of the prescribed allowances shall be paid to any witness.

[S. 28M inserted by s. 15 of Act 78/96]

28N. Powers of Court on hearing of appeals

The Court shall, at the hearing of any appeal in terms of any law conferring upon it any appellate jurisdiction, have the power -

(a) to receive further evidence;

(b) to remit the case to the court or other tribunal of first instance or to the arbitrator concerned, for further hearing, with such instructions as regards the taking of further evidence or otherwise as the Court considers necessary; or

(c) to confirm, amend or set aside the judgment, order or decision which is the subject matter of the appeal and to give any judgment, order or decision which the circumstances may require, unless such law provides otherwise.

[S. 28N inserted by s. 15 of Act 78/96]

28O. Application of provisions of this Chapter in respect of performance by Court of its functions under other legislation

The provisions of this Chapter regulating the procedures, powers and obligations of the Court shall apply *mutatis mutandis*, to the performance by the Court of its functions in terms of any other law in respect of which it has jurisdiction, unless such application is excluded expressly or by necessary implication.

[S. 28O inserted by s. 15 of Act 78/96]

29. Intervention to proceedings before Court, right to appear and legal representation

(1) Any interested person, including an organisation, may apply to the Court for leave to intervene as a party to any proceedings before the Court. (2) The State shall have the right to intervene as a party to all proceedings before the Court.

(3) Any party appearing before the Court may do so in person or may be represented by an advocate or attorney.

(4) Where a party can not afford to pay for legal representation itself, the Chief Land Claims Commissioner may take steps to arrange legal representation for such party, either through the State legal aid system or, if necessary, at the expense of the Commission.

[S. 29 substituted by s. 16 of Act 78/96]

30. Admissibility of evidence

(1) The Court may admit any evidence, including oral evidence, which it considers relevant and cogent to the matter being heard by it, whether or not such evidence would be admissible in any other court of law.

(2) Without derogating from the generality of the foregoing subsection, it shall be competent for any party before the Court to adduce -

(a) hearsay evidence regarding the circumstances surrounding the dispossession of the land right or rights in question and the rules governing the allocation and occupation of land within the claimant community concerned at the time of such dispossession; and

(b) expert evidence regarding the historical and anthropological facts relevant to any particular claim.

(3) The Court shall give such weight to any evidence adduced in terms of subsections (1) and (2) as it deems appropriate.

(4) Whenever an order, judgement or other record of the Court is required to be proved or inspected or referred to in any manner, a copy of such order, judgment or other record duly certified as such by the registrar of the Court under its seal shall be prima facie evidence thereof without proof of the authenticity of such registrar's signature.

[Subs. (4) added by s. 17 of Act 78/96]

31. Pre-trial conference

(1) The Court may, at its own instance or at the request of any party before it, at any stage prior to the hearing of a matter convene a pre-trial conference of the parties with a view to clarifying the issues in dispute, identifying those issues on which evidence will be necessary and, in general, expediting a decision on the claim in question.

(2) The Court may, after the holding of such a pre-trial conference, issue such orders and directions as to the procedure to be followed before and during the trial as it deems appropriate.

32. Rules governing procedure

(1) The President of the Court may make rules to govern the procedure of the Court, including rules providing for -

(a) any of the matters listed in paragraphs (a) to (s) of subsection (1) of [section 6](#) of the Rules Board for Courts of Law Act, 1985 (Act No. 107 of 1985), insofar as they are appropriate to the functions of the Court;

(b) the circumstances under which opinion and oral evidence may be submitted to the Court;

(c) the suspension or execution of judgments, orders or sentences of the Court pending -

(i) applications or petitions for leave to appeal; and

(ii) the prosecution of appeals;

(cA) the practice and procedure of the Court in applications in terms of [Chapter IIIA](#); and

[Para. (cA) inserted by s. 22 of Act 63/97]

(d) generally, any matter which may be necessary or useful to be prescribed for the proper despatch and conduct of the functions of the Court.

[Subs. (1) substituted by s. 18 of Act 78/96]

(2) The rules contemplated in subsection (1) shall be published in the *Gazette*.

(3) Notwithstanding anything to the contrary in this Act or in the rules contemplated in subsection (1) -

- (a) the Court may, at any stage after a claim has been referred to it, refer the claim back to the Commission with directives as to matters which are to be investigated and reported on by the Commission; and
- (b) the Court may conduct any part of any proceedings on an informal or inquisitorial basis.
- (4) The rules contemplated in subsection (1) shall make provision for the expeditious hearing of an application in terms of [section 34](#).

33. Factors to be taken into account by Court

In considering its decision in any particular matter the Court shall have regard to the following factors:

- (a) The desirability of providing for restitution of rights in land to any person or community dispossessed as a result of past racially discriminatory laws or practices;
- (b) the desirability of remedying past violations of human rights;
- (c) the requirements of equity and justice;
- (cA) if restoration of a right in land is claimed, the feasibility of such restoration;
- (d) the desirability of avoiding major social disruption;
- (e) any provision which already exists, in respect of the land in question in any matter, for that land to be dealt with in a manner which is designed to protect and advance persons, or categories of persons, disadvantaged by unfair discrimination in order to promote the achievement of equality and redress the results of past racial discrimination;
- (eA) the amount of compensation or any other consideration received in respect of the dispossession, and the circumstances prevailing at the time of the dispossession;
- (eB) the history of the dispossession, the hardship caused, the current use of the land and the history of the acquisition and use of the land;
- (eC) in the case of an order for equitable redress in the form of financial compensation, changes over time in the value of money;
- (f) any other factor which the Court may consider relevant and consistent with the spirit and objects of the Constitution and in particular the provisions of [section 9](#) of the Constitution.

[S. 33 substituted by s. 23 of Act 63/97]

34. Ruling by Court on restoration before final determination of claim

- (1) Any national, provincial or local government body may, in respect of land which is owned by it or falls within its area of jurisdiction, make application to the Court for an order that the land in question or any rights in it shall not be restored to any claimant or prospective claimant.
- (2) Notice of any such application shall be given to the Commission, which shall investigate and submit a report to the Court on the desirability of making an order referred to in subsection (1): Provided that the provisions of [sections 12](#) and [13](#) shall not be so construed that it prohibits the Commission from exercising the powers conferred by those sections for the purposes of such investigation. [Subs. (2) substituted by s. 24 of Act 63/97]
- (3) Any party making an application to the Court in terms of subsection (1) shall, at its own expense, take such steps as the relevant regional land claims commissioner (or in the case of proceedings in terms of [Chapter IIIA](#), the Court) may direct in order to bring the application to the attention of other persons who may have an interest therein, in order that they may make submissions to and appear before the Court on the hearing of the application.
[Subs. (3) substituted by s. 24 of Act 63/97]
- (4) The regional land claims commissioner concerned shall take such further steps as he or she deems appropriate to bring the application to the attention of persons who may have an interest.
- (5) After hearing an application contemplated in subsection (1), the Court may -
 - (a) dismiss the application;

(b) order that when any claim in respect of the land in question is finally determined, the rights in the land in question, or in part of the land, or certain rights in the land, shall not be restored to any claimant;

(c) make any other order it deems fit.

[Subs. (5) substituted by s. 24 of Act 63/97]

(6) The Court shall not make an order in terms of subsection (5)(b) unless it is satisfied that -

(a) it is in the public interest that the rights in question should not be restored to any claimant; and

(b) the public or any substantial part thereof will suffer substantial prejudice unless an order is made in terms of subsection (5)(b) before the final determination of any claim.

(7)

[Subs. (7) deleted by s. 19 of Act 78/96]

(8) Any order made in terms of subsection (5)(b) shall be binding on all claimants to the rights in question, whether such claim is lodged before or after the making of the order.

(9) Unless the Court orders otherwise, the applicant shall not be entitled to any order for costs against any other party.

[Subs. (9) added by s. 24 of Act 63/97]

35. Court orders

(1) The Court may order -

(a) the restoration of land, a portion of land or any right in land in respect of which the claim or any other claim is made to the claimant or award any land, a portion of or a right in land to the claimant in full or in partial settlement of the claim and, where necessary, the prior acquisition or expropriation of the land, portion of land or right in land:

Provided that the claimant shall not be awarded land, a portion of land or a right in land dispossessed from another claimant or the latter's ascendant, unless -

(i) such other claimant is or has been granted restitution of a right in land or has waived his or her right to restoration of the right in land concerned; or

(ii) the Court is satisfied that satisfactory arrangements have been or will be made to grant such other claimant restitution of a right in land;

[Para. (a) amended by s. 9 of Act 18/99]

(b) the State to grant the claimant an appropriate right in alternative stateowned land and, where necessary, order the State to designate it;

(c) the State to pay the claimant compensation;

(d) the State to include the claimant as a beneficiary of a State support programme for housing or the allocation and development of rural land;

(e) the grant to the claimant of any alternative relief.

[Subs. (1) substituted by s. 25 of Act 63/97]

(2) The Court may in addition to the orders contemplated in subsection (1) -

(a) determine conditions which must be fulfilled before a right in land can be restored or granted to a claimant;

(b) if a claimant is required to make any payment before the right in question is restored or granted, determine the amount to be paid and the manner of payment, including the time for payment;

(c) if the claimant is a community, determine the manner in which the rights are to be held or the compensation is to be paid or held;

(d)

(e) give any other directive as to how its orders are to be carried out, including the setting of time limits for the implementation of its orders;

(f) make an order in respect of compensatory land granted at the time of the dispossession of the land in question;

(fA) make appropriate orders to give effect to any agreement between the parties regarding the finalisation of the claim;

(g) make such orders for costs as it deems just, including an order for costs against the State or the Commission;

[Subs. (2) amended by s. 20 of Act 78/96 and substituted by s. 25 of Act 63/97]

(3) An order contemplated in subsection (2)(c) shall be subject to such conditions as the Court considers necessary to ensure that all the members of the dispossessed community shall have access to the land or the compensation in question, on a basis which is fair and non-discriminatory towards any person, including a tenant, and which ensures the accountability of the person who holds the land or compensation on behalf of the community to the members of such community.

[Subs. (3) substituted by s. 9 of Act 18/99]

(4) The Court's power to order the restitution of a right in land or to grant a right in alternative state-owned land shall include the power to adjust the nature of the right previously held by the claimant, and to determine the form of title under which the right may be held in future.

(5)

[Subs. (5) substituted by s. 25 of Act 63/97 and s. 9 of Act 18/99 and deleted by s. 1 of Act 48/2003]

(5A).....

[Subs. (5A) inserted by s. 9 of Act 18/99 and deleted by s. 1 of Act 48/2003]

(6) In making any award of land, the Court may direct that the rights of individuals to that land shall be determined in accordance with the procedures set out in the Distribution and Transfer of Certain State Land Act, 1993 (Act No. 119 of 1993).

(7) An order of the Court shall have the same force as an order of the Supreme Court for the purposes of the Deeds Registries Act, 1937 (Act No. 47 of 1937).

(8)

[Subs. (8) deleted by s. 20 of Act 78/96]

(9) Any state-owned land which is held under a lease or similar arrangement shall be deemed to be in the possession of the State for the purposes of subsection (1)(a): Provided that, if the Court orders the restoration of a right in such land, the lawful occupier thereof shall be entitled to just and equitable compensation determined either by agreement or by the Court.

[Subs. (9) substituted by s. 25 of Act 63/97]

(10) An interested party which is of the opinion that an order of the Court has not been fully or timeously complied with may make application to the Court for further directives or orders in that regard.

(11) The Court may, upon application by any person affected thereby and subject to the rules made under [section 32](#), rescind or vary any order or judgment granted by it -

(a) in the absence of the person against whom that order or judgment was granted;

(b) which was void from its inception or was obtained by fraud or mistake common to the parties;

(c) in respect of which no appeal lies; or

(d) in the circumstances contemplated in [section 11\(5\)](#):

Provided that where an appeal is pending in respect of such order, or where such order was made on appeal, the application shall be made to the Constitutional Court or the Appellate Division of the Supreme Court, as the case may be.

[Subs. (11) added by s. 20 of Act 78/96]

(12) The Court may, upon application by any person affected thereby, or of its own accord -

(a) if a person is, in the circumstances contemplated in subsection (1), registered as a preferential claimant, rescind or vary the order contemplated in that subsection;

(b) correct patent errors in any order or judgment.

[Subs. (12) added by s. 20 of Act 78/96]

35A. Mediation

(1) If at any stage during proceedings under this Act or any other Act conferring jurisdiction upon the Court it becomes evident that there is any issue which might be resolved through mediation and negotiation, the Court may make an order -

(a) directing the parties concerned to attempt to settle the issue through a process of mediation and negotiation;

(b) that such proceedings be stayed pending such process.

[Subs. (1) amended by s. 3 of Act 61/98]

(2) (a) An order contemplated in subsection (1) shall specify the time when and the place where such process is to start.

(b) The Court shall appoint a fit and proper person as mediator to chair the first meeting between the parties: Provided that the parties may at any time during the course of mediation or negotiation by agreement appoint another person to mediate the dispute.

(3) A mediator appointed in terms of subsection (2)(b) who is not in the full-time service of the State may be paid such remuneration and allowances in respect of the services performed by him or her as may be determined by the Minister in consultation with the Minister of Finance and the President of the Court.

(4) All discussion taking place and all disclosures and submissions made during the mediation process shall be privileged, unless the parties agree to the contrary.

[S. 35A inserted by s. 26 of Act 63/97]

36. Review of decisions of Commission

(1) Any party aggrieved by any act or decision of the Minister, Commission or any functionary acting or purportedly acting in terms of this Act may apply to have such act or decision reviewed by the Court.

[Subs. (1) substituted by s. 21 of Act 78/96]

(2) The Court shall exercise all of the Supreme Court's powers of review with regard to such matters, to the exclusion of the provincial and local divisions thereof.

37. Appeals from Court

(1) No appeal shall lie against a judgment or order of the Court except with leave of the Court or, where such leave has been refused, with the leave of the Supreme Court of Appeal.

[Subs. (1) substituted by s. 27 of Act 63/97]

(2) An appeal from a judgment or order of the Court shall be heard by the Supreme Court of Appeal.

[Subs. (2) amended by s. 27 of Act 63/97]

(3) The Supreme Court of Appeal may, in granting leave to appeal, vary any order for costs made by the Court in refusing leave to appeal.

[Subs. (3) amended by s. 27 of Act 63/97]

(4) The power to grant leave to appeal as contemplated in subsection (1) -

(a) shall not be limited by reason only of the value of the matter in dispute or the amount claimed or awarded in the suit or by reason only of the fact that the matter in dispute is incapable of being valued in money; and

(b) shall be subject to the provisions of any other law which specifically limits it or specifically grants, limits or excludes any right of appeal.

(5) Leave to appeal may be granted subject to such conditions as the Court or the Supreme Court of Appeal, as the case may be, considers appropriate, including a condition that the applicant shall find security for the costs of the appeal.

[Subs. (5) amended by s. 27 of Act 63/97]

(6) The Supreme Court of Appeal may grant leave to appeal on application made to it within 15 days, or such longer period as may on good cause be allowed, after the Court has refused leave to appeal.

[Subs. (6) amended by s. 27 of Act 63/97]

(7) (a) An application to the Supreme Court of Appeal in terms of subsection

(6) -

(i) shall be brought on notice of motion supported by an affidavit as to the facts upon which the applicant relies for relief;

(ii) shall be addressed to the registrar of the Supreme Court of Appeal, to the registrar of the Court and to all other parties in the proceedings before the Court.

(b) The application shall be considered by two judges of the Supreme Court of Appeal designated by the Chief Justice, and in the case of a difference of opinion, also by the Chief Justice or any other such judge so designated.

(c) The judges considering the application may order that the application be argued before them at a time and place appointed, and may, whether or not they have so ordered -

(i) grant or refuse the application; or

(ii) refer the application to the Supreme Court of Appeal for consideration, whether upon argument or otherwise, and where an application has been so referred, the Supreme Court of Appeal may thereupon grant or refuse the application.

(d) The decision of the majority of the judges considering the application, or the decision of the Supreme Court of Appeal, as the case may be, to grant or refuse the application shall be final.

(e) Notice of the date and place fixed for the hearing of the application shall be given to the applicant and the respondent by the registrar of the Supreme Court of Appeal.

[Subs. (7) amended by s. 27 of Act 63/97]

(8) The Supreme Court of Appeal shall, on the hearing of any appeal from the Court have the power -

(a) to receive further evidence;

(b) to remit the case to the Court for further hearing, with such instructions as regards the taking of further evidence or otherwise as the Supreme Court of Appeal considers necessary; or

(c) to confirm, amend or set aside the judgment or order which is the subject of the appeal and to give any judgment or make any order which the circumstances may require.

[Subs. (8) amended by s. 27 of Act 63/97]

(9) Nothing in this section contained shall be construed as preventing an appeal from a judgment or order of the Court being made directly to the Constitutional Court, if such an appeal is allowed by national legislation and by the rules of the Constitutional Court.

(10) For the purposes of this section “Supreme Court of Appeal” means the Supreme Court of Appeal referred to in [section 168](#) of the Constitution.

[Subs. (10) added by s. 27 of Act 63/97]

[S. 37 substituted by s. 22 of Act 78/96]

38. Decisions of Court a matter of public record

The decisions of the Court shall be a matter of public record on the same basis as decisions of a High Court.

[S. 38 amended by s. 28 of Act 63/97]

CHAPTER IIIA

DIRECT ACCESS TO COURT

38A. Definitions

In this Chapter, unless the context indicates otherwise -

“**Director-General**” means the Director-General of Land Affairs;

“**registrar**” means the registrar of the Court;

“the regional land claims commissioner” means the regional land claims commissioner having jurisdiction in respect of the land to which an application in terms of this Chapter relates.

[S. 38A inserted by s. 29 of Act 63/97]

38B. Application to Court for restitution of right in land

(1) Notwithstanding anything to the contrary contained in this Act, any person who or the representative of any community which is entitled to claim restitution of a right in land and has lodged a claim not later than 31 December 1998 may apply to the Court for restitution of such right: Provided that leave of the Court to lodge such application shall first be obtained if -

- (a) an order has been made by the Court in terms of [section 35](#) in respect of a right relating to that land; or
- (b) a notice has been published in the *Gazette* in terms of [section 12\(4\)](#) or [38D\(1\)](#) in respect of that land and the period specified in the said notice has expired.

[Subs. (1) amended by s. 10 of Act 18/99]

(2) An application contemplated in subsection (1) shall be in the form prescribed by the rules.

(3) The regional land claims commissioner may at any stage after the lodgement of an application contemplated in subsection (1) suspend the investigation of any claim lodged in terms of [section 10](#) in respect of the land in question until

-

(a) the Court has ordered that the suspension be lifted; or

(b) the application has, in accordance with the rules, been withdrawn, and the applicant has informed the regional land claims commissioner accordingly.

(4) The Court may at any stage of the proceedings order that all claims lodged in terms of [section 10](#) in respect of the land in question be transferred to the Court, whereupon the regional land claims commissioner shall forward without delay all documents in his or her possession pertaining to such claims to the registrar.

(5) Where all interested parties have reached agreement as to how the claim should be finalised, the Court may make the agreement an order of the Court.

(6) After hearing the application, the Court may -

(a) make any order in terms of [section 35](#);

(b) dismiss the application;

(c) transfer all the claims before the Court in respect of the land in question to the regional land claims commissioner: Provided that the regional land claims commissioner shall not by virtue of such transfer be obliged to give priority to any claim so transferred;

(d) make no order thereon but grant leave for the applicant to renew the application on the same papers supplemented by such further affidavits and documents as the case may require.

[S. 38B inserted by s. 29 of Act 63/97]

38C. Reports by regional land claims commissioner or Director-General

The regional land claims commissioner or the Director-General may, of his or her own accord, file a report in any application in terms of this Chapter and shall do so if so directed by the Court.

[S. 38C inserted by s. 29 of Act 63/97]

38D. Time limit for applications for leave to intervene under certain circumstances

(1) If at any stage during proceedings under this Chapter the Court is satisfied that it is necessary or appropriate that all claims for restitution in respect of the land in question be considered at the same time, it may direct the applicant to publish in the *Gazette* and in such other manner as it deems appropriate, a notice advising potential claimants of its decision and inviting them to apply for leave to intervene in the application or action within the period specified in such notice.

(2) After the expiry of the period contemplated in subsection (1) -

- (a) no claim in respect of the land in question shall be lodged with the regional land claims commissioner;

(b) no application for leave to intervene in order to enforce restitution of a right in such land shall be lodged with the registrar;

(c) no application to the Court in terms of [section 38B](#) shall be lodged with the registrar in respect of the land in question:

Provided that the Court may allow a claimant or applicant on good cause shown, to lodge such a claim or application after the expiry of such period, but not later than 31 December 1998.

[S. 38D inserted by s. 29 of Act 63/97]

38E. Additional powers of Court

The Court may, during proceedings under this Chapter and subject to such terms and conditions as it may determine -

(a) make an order -

(i) prohibiting or setting aside the sale, exchange, donation, lease, subdivision, rezoning or development of land to which an application relates, if it is satisfied that such sale, exchange, donation, lease, subdivision, rezoning or development -

(aa) defeats or will defeat the achievement of the objects of this Act;

(bb) was not or will not be done in good faith;

(ii) prohibiting the eviction of any claimant who was resident on the land in question at the date of commencement of this Act;

(iii) prohibiting the removal, destruction or damaging of improvements upon the land in question;

(iv) prohibiting the entering upon and occupation of the land in question without the permission of the owner or lawful occupier;

(b) direct the Commission or the Director-General to perform any function necessary or expedient for the exercise of its powers in terms of this Chapter;

(c) on good cause shown condone any deviation from or noncompliance with the provisions of this Chapter or the rules;

(d) make recommendations to the Minister regarding the most appropriate form of alternative relief, if any, for those claimants who do not qualify for the restitution of rights in land in terms of the Act; and

(e) make such other order as in the circumstances appears to be just.

[S. 38E inserted by s. 29 of Act 63/97]

[Chapter IIIA inserted by s. 29 of Act 63/97]

CHAPTER IV

MISCELLANEOUS PROVISIONS

39. Register of public land

In order to facilitate the work of the Commission and the Court, the Minister may take all necessary steps to compile a register of public land, which register shall be open to inspection by claimants and prospective claimants.

40. Regulations

The Minister may make regulations regarding -

(a) any matter required or permitted to be prescribed in terms of this Act; and

(b) generally, all matters which in his or her opinion are necessary or expedient to be prescribed in order to achieve the objects of this Act.

41. Repeal of laws, and savings

(1) Sections 88A up to and including 96A of the Abolition of Racially Based Land Measures Act, 1991 (Act No. 108 of 1991), and the Abolition of Racially Based Land Measures Amendment Act, 1993 (Act No. 110 of 1993), are hereby repealed.

(2) If an application was, before the commencement of this Act, lodged with the Commission on Land Allocation established in terms of section 89 of the Abolition of Racially Based Land Measures Act, 1991 (Act No. 108 of 1991) and that Commission has, before the commencement of this Act -

(a) made a recommendation in respect of such application, such application shall on request of any interested party; or

(b) not made any order or recommendation in respect of such application such application shall, subject to the provisions of subsection (3), be deemed to have been lodged with the Commission in accordance with the provisions of [section 10\(1\)](#).

(3) The regional land claims commissioner having jurisdiction may -

(a) direct any applicant in respect of an application referred to in subsection

(2) to provide the Commission with any further information relevant to the application; and

(b) in respect of an application referred to in subsection (2), waive compliance with any or all of the procedures prescribed by or under this

Act.

42. Transfer duty and fees

(1) The Minister may direct that any transfer duty or other fees payable by a claimant in respect of any transfer of land or of a right in land in terms of this Act shall be defrayed in full or in part from money appropriated by Parliament for that purpose.

(2) The Minister may, in consultation with the Minister of Finance, direct that no transfer duty, stamp duty or other fees contemplated in subsection (1) shall be paid in respect of a particular transfer under this Act.

42A. Registration of land in name of claimant

(1) Where, in terms of this Act, land is acquired or expropriated in order to restore or award the land to a claimant, such land vests in the State, which must transfer it to the claimant.

[Subs. (1) substituted by s. 2 of Act 48/2003]

(2) No duty, fee or other charge is payable in respect of any registration in terms of subsection (1).

[S. 42A inserted by s. 30 of Act 63/97]

42B. Certain laws not applicable in respect of land restored or awarded

(1) The laws governing the subdivision of agricultural land shall not apply in respect of any subdivision undertaken in order to restore or award land to any claimant in terms of this Act.

(2) The laws governing the establishment of townships shall not apply to land restored or awarded to any claimant in terms of this Act, as long as that land is predominantly occupied by that claimant.

[S. 42B inserted by s. 30 of Act 63/97]

42C. Financial aid

(1) The Minister may from money appropriated by Parliament for this purpose and on such conditions as he or she may determine, grant an advance or a subsidy for the development or management of, or to facilitate the settlement of persons on, land which is the subject of an order of the Court in terms of this Act or an agreement in terms of [section 14\(3\)](#) or [42D](#) or which is

expropriated in terms of [section 42E](#), to -

(a) any claimant to whom restoration or the award of a right in land has been ordered;

(b) any claimant who has entered into an agreement contemplated in [section 14\(3\)](#) or [42D](#);

(c) any person resettled on such land.

[Subs. (1) substituted by s. 4 of Act 61/98 and s. 11 of Act 18/99 and amended by s. 3 of Act 48/2003]

(2) For the purposes of subsection (1) "development of land" includes the facilitation of the planning of any development of land.

(3) The Minister may, either in general or in a particular case or in cases of a particular nature and on such conditions as he or she may determine, delegate any power conferred by subsection (1) -

(a) to any officer in the Department of Land Affairs;

- (b) to a Premier of a province;
 - (c) with the concurrence of the Premier of a province, to another member of the Executive Council of that province;
 - (d) with the concurrence of a Municipal Council, to any member of that Municipal Council; or
 - (e) with the concurrence of the relevant Minister, to any officer in any other organ of state.
- (4) Any delegation of a power under subsection (3) -
- (a) shall be done in writing;
 - (b) shall not prevent the Minister from exercising that power himself or herself; and
 - (c) may at any time be withdrawn in writing by the Minister.
- (5) The Minister may in writing for the purposes of the development of land contemplated in subsection (1) transfer funds contemplated in that subsection to any organ of state.

[S. 42C inserted by s. 30 of Act 63/97]

42D. Powers of Minister in case of certain agreements

(1) If the Minister is satisfied that a claimant is entitled to restitution of a right in land in terms of [section 2](#), and that the claim for such restitution was lodged not later than 31 December 1998, he or she may enter into an agreement with the parties who are interested in the claim providing for one or more of the following:

- (a) The award to the claimant of land, a portion of land or any other right in land : Provided that the claimant shall not be awarded land, a portion of land or a right in land dispossessed from another claimant or the latter's ascendant, unless -
 - (i) such other claimant is or has been granted restitution of a right in land or has waived his or her right to restoration of the right in land in question; or
 - (ii) the Minister is satisfied that satisfactory arrangements have been or will be made to grant such other claimant restitution of a right in land;
- (b) the payment of compensation to such claimant;
- (c) both an award and payment of compensation to such claimant;
- (d)

[Para. (d) deleted by s. 4 of Act 48/2003]

- (e) the manner in which the rights awarded are to be held or the compensation is to be paid or held; or
 - (f) such other terms and conditions as the Minister considers appropriate.
- (2) If the claimant contemplated in subsection (1) is a community, the agreement must provide for all the members of the dispossessed community to have access to the land or the compensation in question, on a basis which is fair and non-discriminatory towards any person, including a tenant, and which ensures the accountability of the person who holds the land or compensation on behalf of such community to the members of the community.
- (3) The Minister may delegate any power conferred upon him or her by subsection (1) or [section 42C](#) to the Director General of Land Affairs or any other officer of the State or to a regional land claims commissioner.
- (4) The Director General of Land Affairs may with the consent of the Minister delegate to any officer of the State or a regional land claims commissioner any power delegated to the Director General under subsection (3).
- (5) Any delegation under subsection (3) or (4) may be made either in general or in a particular case or in cases of a particular nature and on such conditions as may be determined by the Minister or the Director General of Land Affairs, as the case may be, and the Minister or the Director General is not thereby divested of any power so delegated.
- (6) Expenditure in connection with the exercise of the powers conferred by subsection (1) shall be defrayed from moneys appropriated by Parliament for that purpose.

(7) The provisions of subsections (1) to (6) and [section 42C](#) shall apply *mutatis mutandis* in respect of an agreement entered into before the commencement of the Land Restitution and Reform Laws Amendment Act, 1999, in terms of which a claimant has waived any or all of his or her rights to relief under this Act.

[S. 42D inserted by s. 30 of Act 63/97 and substituted by s. 12 of Act 18/99]

42E. Acquisition of land, portion of land or right in land for land reform purposes

(1) The Minister may purchase, acquire in any other manner or, consistent with the provisions of [section 3](#) of the Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000), expropriate land, a portion of land or a right in land-

(a) in respect of which a claim in terms of this Act has been lodged, for the purpose of-

(i) restoring or awarding such land, portion of land or right in land to a claimant who is entitled to restitution of a right in land in terms of [section 2](#); or

(ii) providing alternative relief as contemplated in [section 6\(2\)\(b\)](#); and

(b) in respect of which no such claim has been lodged but the acquisition of which is directly related to or affected by such claim, and which will promote the achievement of the purpose contemplated in paragraph (a).

(2) The Expropriation Act, 1975 (Act No. 63 of 1975), shall, with the necessary changes, apply to an expropriation under this Act, and any reference to the Minister of Public Works in that Act must be construed as a reference to the Minister for the purpose of such expropriation.

(3) Where the Minister expropriates land, a portion of land or a right in land under this Act, the amount of compensation and the time and manner of payment shall be determined either by agreement or by the Court in accordance with [section 25\(3\)](#) of the Constitution.

(4) The rules of the Court made under [section 32](#) shall govern the procedure of the Court in the determination of compensation in terms of subsection (3).

[S. 42E inserted by s. 5 of Act 48/2003]

43. Short title and commencement

(1) This Act shall be called the Restitution of Land Rights Act, 1994, and shall come into operation on a date fixed by the President by proclamation in the *Gazette*.

(2) Different dates may be fixed in respect of different Chapters of this Act.

Annexure F: Farm List

| District Municipality | Local Municipality | Project Name | Legal entity name | Status | No. of hectares | Grant Type | Year Settled | Programme Type | No. of households | No. of farm workers | No. of individuals | Transfer date | Product Type | Enterprise / Product Type | Property |
|-----------------------|--------------------|--|-------------------------------------|--------------------------------|-----------------|------------|--------------|----------------|-------------------|---------------------|--------------------|---------------|---|---------------------------|--|
| Zululand | Abaqulusi | Uitziot | Ezinkalweni Community Trust | NCT? | 214.1330 | SLAG | 2008 | Labour Tenant | 8 | 0 | 61 | 14-Nov-08 | Timber Plantation & Settlement | Forestry & Settlement | Remainder of Portion 1 of the Farm Uitziot No. 176 |
| Zululand | Abaqulusi | Waterval | Halekamunandi Trust | | 741.7995 | LRAD | 2008 | Redistribution | 39 | 0 | 39 | 14-Aug-08 | Forestry, Sheep, Beef & Poultry | NIA | Portion 3 (of 2), Portion 4 (of 2) and Portion 6 (of 2) of the farm Waterval no. 423 |
| Zululand | Abaqulusi | Boschoek | Mgobhozi CPA | NCT involved | 3195.2575 | LRAD | 2005 | Labour Tenant | 124 | 0 | 503 | 13-Jun-05 | Commercial Farming | Timber | Portions 2, 3 & 5 (of 1) of the farm Boschoek No. 156; Portion 1 of the farm Wintershoek No. 255; Remainder of Portion 3 & Portion 4 of the farm Aloboom No. 254; Remainder & Portions 1 & 2 of the farm Dageraad No. 288. |
| Zululand | Abaqulusi | Mnyathi Claim | Mnyathi Community Trust | Includes Mondl, NTE but others | 700 | RDG | 2007 | Restitution | 113 | | 1332 | 2009 | Forestry | Commercial Agriculture | |
| Zululand | Abaqulusi | Vergelegen Farm | Sakha Isizwe Community Trust | ? | 602.5046 | SLAG | 2008 | Labour Tenant | 22 | 0 | 138 | 18-Nov-08 | Timber Plantation & Settlement | Tenure Security | Portion 3, Portion 4 (of 1), and Portion 5 (of 1) of the Farm Uitziot No. 176 |
| Zululand | Abaqulusi | Uitziot 4 | Sibusiswe Community Trust | NCT? | 429.5565 | SPLAG | 2009 | Redistribution | 32 | N/A | 42 | 14-May-09 | Forestry, Livestock | Commercial Agriculture | Portion 2 of the Farm Uitziot No. 176 |
| Zululand | Abaqulusi | Buhlebutshukulo / Trifecta Trading (Pty) Ltd | Trifecta Trust | ? | 1493.0933 | LRAD | 2003 | Redistribution | 69 | 0 | 69 | 2-Oct-03 | Forestry | NIA | The farm Chemoels No. 837 |
| Zululand | Abaqulusi | Farm Elm | Vukuzenzele Community Trust | NCT involved / Mondl? | 568.0359 | LRAD | 2008 | Labour Tenant | 2 | 0 | 30 | 11-Jun-08 | Commercial Agriculture | Timber Production | Remainder of Portion 2 of the Farm Bore Esperanza No. 161; Portion 4 of the Farm Bethel No. 683; The Farm Fume No. 806 |
| Zululand | Abaqulusi | Mazibuko Community Claim | Zibambeleni Khondlo Community Trust | Sappi involved | 1125.7 | RDG | 2007 | Restitution | 168 | | 1098 | 16-Apr-08 | Forestry | Commercial Agriculture | |
| Zululand | Babangoni | Emcalwini community Claim | Emcalwini Community Trust | Includes Mondl but others | 2274.0554 | RDG | 2007 | Restitution | 194 | | 1164 | 02-Nov-07 | Forestry, Livestock, Lodges and game farming, vegetable gardens | Commercial Agriculture | |
| Zululand | Babangoni | Wonderdraai | Kwalanga C Trust | Mondl involved | | RDG | 2008 | Restitution | 144 | | 870 | Pending | Forestry | Commercial Agriculture | |
| Zululand | Babangoni | Ziqongwane Claim | Kwaziqongwane C Trust | Mondl involved | 5200 | RSG | 2009 | Restitution | 368 | | 2208 | Pending | Forestry | Commercial Agriculture | |
| Zululand | Ngqusha | Nshangase Claim | Elsheni Community Trust | Includes Mondl but others | 2104 | RDG | 2007 | Restitution | 237 | | 1422 | 22-Dec-08 | Forestry | Commercial Agriculture | |
| Zululand | Ngqusha | Nhangwini Claim | Nhangwini | Mondl involved | 290.0745 | RDG | 2008 | Restitution | 55 | | 330 | Pending | Timber, grazing | Commercial Agriculture | |
| Zululand | Ngqusha | Ogwini Claim | Ogwini C Trust | Mondl involved | 3 736.9574 | RSG | 2008 | Restitution | 126 | | 450 | Pending | Timber & agricultural activities | Commercial Agriculture | |
| Zululand | Nongoma | Gwebu Community Claim | Sandenzwe Community Trust | ? | 2194.8872 | RSG | 2007 | Restitution | 129 | | 1032 | 06-Mar-10 | Timber Plantation, Livestock, Grazing, dairy and broilers | Commercial Agriculture | |
| uThungulu | Mthethu | Kwambombi | Mbombani C Trust | Mondl ? | 7 655.80 | RDG | 2007 | Restitution | 516 | | 3060 | 2009 | Timber, Poultry and Human Settlement | Commercial Agriculture | |
| uThungulu | Mthethu | Mphahla Community Claim | Mphahla Community Trust | ? | 802.63338 | RDG | 2007 | Restitution | 20 | | 204 | 02-Oct-07 | Sugarcane, Citrus and Timber | Commercial Agriculture | |
| uThungulu | Mthethu | Shange Community Claim | Vuma Community Trust | NCT / Sappi? | 936.1089 | RDG | 2008 | Restitution | 43 | | 2000 | State land | Sugarcane, Livestock, Timber Plantation | Commercial Agriculture | |
| uThungulu | Mthethu | Boschoek/Amala Trust | Amala Trust | Mondl / NCT / Victor Smith ? | 2148.9130 | LRAD | 2009 | Redistribution | 0 | 0 | 361 | 8-Jun-09 | Timber, sugarcane, game | Commercial Agriculture | The Farm Boschoek No. 6128 |
| uThungulu | Mthethu | Sweet Home/ Bheka Ophathe Trust | Kwathelaphathe Trust | Mondl / NCT / Victor Smith ? | 2687.2450 | LRAD | 2009 | Redistribution | 0 | 0 | 323 | 9-Jun-09 | Forestry, game | Commercial Agriculture | The Farm Sweet Home No. 6130, Portion 4 of the Farm Entonjaneni No. 13356 |

| | | | | | | | | | | | | | | | |
|---------------|---------------|---------------------------------|-------------------------------|------------------------------|--------------|-------|------|----------------|-----|----|------|-----------|---|---|---|
| uThungulu | Mthongweni | Morgezon / Mapholoba Farming cc | Mapholoba Farming cc | Mondi / NCT / Victor Smith ? | 465.3147 | LRAD | 2004 | Redistribution | 0 | 0 | 2 | 24-Jun-04 | Sugarcane & Timber | Commercial Agriculture | Portion 1 of the farm Morgezon No. 6152 |
| uThungulu | Mthongweni | Elizabeth Nkayishana Trust | Nkayishana Trust | Mondi / NCT / Victor Smith ? | 943.3206 | LRAD | 2009 | Redistribution | 0 | 0 | 146 | 4-Jun-09 | Timber, sugarcane, game | Commercial Agriculture | Portion 1 and the Remainder of the Farm Elizabeth No. 6143 |
| uThungulu | Mthongweni | Boegegenk No. 15636 | RSA | Mondi / NCT / Victor Smith ? | 506.9757 | PLAS | 2008 | PLAS | 0 | 0 | 0 | 5-Sep-08 | Sugarcane & Timber | Commercial Agriculture | Remainder of the Farm Boegegenk No. 15636 |
| uThungulu | Mthongweni | Boegegenk Ptn 1 | RSA | Mondi / NCT / Victor Smith ? | 588.4758 | PLAS | 2008 | PLAS | 0 | 0 | 0 | 5-Sep-08 | Sugarcane & Timber | Commercial Agriculture | Portion 1 of the Farm Boegegenk No. 15636 |
| uThungulu | Mthongweni | Rechtswell | Siyathuthuka CPA | Mondi / NCT / Victor Smith ? | 1807.0760 | LRAD | 2004 | Redistribution | 103 | 0 | 101 | 10-May-04 | Livestock & Timber | Mixed Type Production | The farm Rechtswell No. 6103 |
| uThungulu | Mthongweni | Victory Ticket 293 CC | Victory Ticket 293 CC | Mondi / NCT / Victor Smith ? | 700.2130 | LRAD | 2004 | Redistribution | 0 | 0 | 3 | 22-Oct-04 | Sugarcane & Timber | Commercial Agriculture | Remainder of the farm Barneveld No. 6156 |
| uThungulu | Mthongweni | Zabalaza Farming cc | Zabalaza Farm cc | Mondi / NCT / Victor Smith ? | 386.7876 | LRAD | 2004 | Redistribution | 0 | 0 | 4 | 9-Sep-04 | Sugarcane & Timber | Commercial Agriculture | Remainder of Portion 4 of the farm Barneveld No. 6156 |
| Uthukela | Okhahlamba | Mpimbo / Elsele | Sinefemba Land Trust | ? | 250.1182 | LRAD | 2008 | Redistribution | 100 | 0 | 100 | 29-Sep-08 | Forestry, Cropping, Maize Milling, Poultry, Piggery and Dairy | Food Safety net | Remainder of Portion 1 of the Farm Elsele No. 1969 |
| Uthukela | Okhahlamba | Mpimbo / Slanders | Smaltia Trust | ? | 694.4840 | LRAD | 2008 | Redistribution | 200 | 0 | 200 | 29-Aug-08 | Gum, Pine, Timber, Grazing, Cropping, Pigs and Citrus | Gum, Pine, Timber, Grazing, Cropping, Pigs and Citrus | Remainder of Portion 1 and Remainder of the Farm Buffelsheek No. 1270, Remainder of Portion 24 of 20 of the Farm Erasmus Dam No. 1050 |
| Umzinyathi | Mvoti | Amakhabela Tribal Authority | Gayede Community Trust | Mondi / NCT | 19579.9026 | ROG | 2004 | Restitution | 267 | | 2000 | 2005 | Sugarcane & Forestry | Commercial Agriculture | |
| Umzinyathi | Mvoti | Izangawe Community Claim | Izangawe Community Trust | NTE Involved | 4081.5799 | ROG | 2 | Restitution | 165 | | 978 | 25-May-07 | Forestry, Cash crops | Commercial Agriculture | |
| Umzinyathi | Mvoti | Ngcolosi Community Claim | Ngcolosi Community Trust | Mondi / NCT | 11789.619 | ROG | 2004 | Restitution | 376 | | 2600 | 09-Sep-05 | Timber, Sugarcane, Livestock, Maize | Commercial Agriculture | |
| Umzinyathi | Umvoti | Anabomini Claim | Eyefu Community Trust | Mondi involved | 5288 | ROG | 2007 | Restitution | 220 | | 1320 | 19-Aug-08 | Timber & Sugarcane | Commercial Agriculture | |
| Umzinyathi | Umvoti | Hermannsburg | Hermannsburg CPA | NTE Involved | 1190.6361 | LRAD | 2005 | Redistribution | 110 | 0 | 110 | 17-May-05 | Commercial Agriculture | Timber | Remainder of the farm Perseverance No. 16290 |
| Umzinyathi | Umvoti | Anahlongwa | Siyathokozwa Community Trust | Mondi involved | 1555 | ROG | 2007 | Restitution | 140 | | 840 | 21-Apr-09 | Timber & Sugarcane | Commercial Agriculture | |
| Umzinyathi | Umvoti | Umvoti Properties | Umvoti Properties Inv 1009 CC | NCT involved | 148.3326 | LRAD | 2005 | Redistribution | 10 | 0 | 10 | 21-Dec-05 | NIA | Timber | Portion 40 of the farm Perseverance No. 1324 |
| Umkhanyakude | Mthabuba | Coctane Farm | RSA | ? | 494.6884 | PLAS | 2008 | PLAS | 0 | 0 | 0 | 16-Oct-08 | Sugarcane and Timber | Commercial Agriculture | Remainder of Farm Coctane No. 18633 |
| Umkhanyakude | Mthabuba | Lucky Star Farm | RSA | ? | 348.7753 | PLAS | 2009 | PLAS | 0 | 0 | 0 | 6-Jan-09 | Forestry & Sugarcane | Commercial Agriculture | Portion 8 (of 4) of the farm Lot U 203 No. 13473, Portion 14 (of 3) of the farm Combine No. 13220, Remainder of the Portion 3 of the farm Combine No. 13220, Remainder of Portion 4 Lot U 203 of the farm No. 13473, Remainder of Lot U 203 of the farm No. 13473 |
| Umgungundlovu | Mooi Mpofoane | Luton | Mpofoane Forestry Trust | ? | 201.6554 | SPLAG | 2009 | Redistribution | 19 | 0 | 22 | 8 | 6-Apr-09 | Forestry, Livestock | The Farm Mpofoane Forestry No. 18325 |
| Umgungundlovu | Richmond | Mahobe Community Claim | Anahobe Community Trust | NCT / Mondi Shanduka | 848.2108 Iha | RSG | 2008 | Restitution | 147 | | 735 | 2009- | Forestry | Commercial Agriculture | |
| Umgungundlovu | Richmond | Eagle Gorge | Dungamazi Community Trust | ? | 301.6284 | SPLAG | 2009 | Redistribution | 0 | 56 | 56 | 33 | 3-Feb-09 | Forestry, sugarcane, livestock | Portion 14 of the Farm Fielden No. 930, Remainder of Portion 11 of the Farm Fielden No. 930 |
| Umgungundlovu | Richmond | Emasosheni Community Claim | Emasosheni Community Trust | ? | 1 420.0314 | ROG | 2006 | Restitution | 76 | | 420 | 27-Mar-07 | Timber plantation, Tea plantation, Sugarcane, | Commercial Agriculture | |

| | | | | | | | | | | | | | | | |
|---------------|----------------|-------------------------------|--|----------------|-----------|-------|-----------|----------------|------|-----|-------|---------------------------|---|---------------------------------|---|
| Umgungundlovu | Richmond | Mgicobeli Community Claim | Mgicobeli | Mondi involved | 1363.615 | RSG | 2008 | Restitution | 53 | | 354 | Pending | Timber, Game, cattlefarming | Commercial Agriculture | |
| Umgungundlovu | Richmond | Theddan | RSA | NCT involved | 1269.7647 | PLAS | 2009 | PLAS | 0 | 0 | 0 | 0 | 31-Mar-09 | Timber | Remainder of the Farm Umhlaten No. 1006, Remainder of Portion 2 of the Farm Wonder Geluk No. 1273, Portion 9 (of 7) of the Farm Wonder Geluk No. 1273, Remainder of Portion 3 of the Farm Wonder Geluk No. 1273, Portion 47 (of 5) of the Farm Wonder Geluk No. |
| Umgungundlovu | Umshathi | Doomkop No. 983 | Masibumbane-Sakhane Land Trust | ? | 126.6115 | SPLAG | 2009 | Redistribution | 14 | N/A | 14 | 6 | 4-May-09 | Forestry, sugarcane | Portion 186 (of 172) and the Remainder of Portion 57 of the Farm Doomkop No. 983 |
| Ugu | Hibiscus Coast | Breamer C Claim | Breamer Community Trust | Sappi involved | 367 | RDG | 2008 | Restitution | 63 | 10 | 183 | 11-Mar-09 | Sugarcane and Timber | Commercial Agriculture | |
| Ugu | Hibiscus Coast | Elm Mission Claim | Elm Community Trust | ? | 577 | RDG | 2004 | Restitution | 53 | 3 | 300 | 2005 | Timber, Sugarcane, Tea plantation | Commercial Agriculture | |
| Ugu | Hibiscus Coast | KwaZamani | KwaZamani Farm Pty Ltd | ? | 689.4851 | LRAD | 2004 | Redistribution | 35 | 35 | 35 | 17-Jun-04 | Sugar Cane, Bananas, Timber & Macademia Nuts | Commercial Agriculture | The farm Braemar No.2 No. 8790, Remainder of the farm Braemar No. 8791, the farm F K 2 No. 8792, Remainder of Braemar No.3 No. 10750 & the farm La Boheme No. 17214 |
| Ugu | Hibiscus Coast | Roseland Community Claim | Roseland Community Trust | ? | 325000 | RDG | 2006 | Restitution | 95 | 38 | 700 | 06-Aug-07 | Timber, sugarcane, Macademia, bananas | Commercial Agriculture | |
| Ugu | Umtinto | Crypt Community Claim | Crypt Community Trust | ? | 573.426 | RDG | 2002/2008 | Restitution | 35 | 0 | 105 | Pending | Sugarcane, forestry, conservation | Commercial Agriculture | |
| Ugu | Vulamehlo | Kwambelu Community Claim | Kwambelu Community Trust | ? | 998.1402 | RDG | 2007 | Restitution | 181 | 68 | 1086 | 07-Jan-08 | Erable land, Sugarcane & Timber | Commercial Agriculture | |
| Ugu | Vulamehlo | Kylassa Farming Trust | Kylassa Farming Trust | ? | 211.2865 | LRAD | 2009 | Redistribution | 0 | 0 | 15 | 3-Feb-09 | Forestry, sugarcane, livestock | Commercial Agriculture | Remainder of the Farm Kylassa No. 9672 |
| Ugu | Vulamehlo | Moyeni Community Claim | Moyeni Community Trust | ? | 1420.0314 | RDG | 2008 | Restitution | 24 | 0 | 80 | 2009 | Tea Plantation, sugarcane small scale, beef production, Tourism and Timber plantation | Commercial Agriculture | |
| Sisonke | Greater Kosi | Vielsalm - PLAS | DLA | ? | 846.7050 | PLAS | 2007 | PLAS | 0 | 0 | 0 | 9-May-07 | Commercial | Timber, Dairy & Beef Production | Portion 4 of the farm Vielsalm No. 47, Portion 5 of the farm Vielsalm No. 47 |
| Sisonke | Ingwwe | Mijla | Siyathuthuka Mijla Farmer's Co-op | ? | 190.6087 | LRAD | 2005 | Redistribution | 0 | 0 | 31 | 3-Aug-05 | Commercial Agriculture | Timber, livestock and crops | Remainder of the farm Lot 1 Dronk Vlei No. 3636, the farm Lot FP 218 No. 8478 & Portion 1 of the farm Lot F P 219 No. 8481 |
| Sisonke | Ingwwe | Glen Maize | Sonqoba Land Trust | ? | 535.4581 | SPLAG | 2009 | Labour tenant | 1 | N/A | 64 | 27-Nov-09 | Forestry, dairy | Commercial Agriculture | The Farm Lot A O No. 7979, Farm A of Glenmaize No. 7980, Farm Glenmaize B No. 5639, Remainder of the Farm Goodhope No. 16278 |
| Sisonke | Uthukela | Carriestbrook / Carriestbrook | Inyeza CPA | Sappi involved | 633.3351 | LRAD | 2006 | Labour Tenant | 129 | 78 | 129 | 08 Feb 2006 - 22 Feb 2006 | Commercial Farming | Timber, livestock and tourism | Portion 3 of the farm Lot 9 Incalu No. 5000 (ET), & Portion 8 of the farm Barlotheim No. 2018 (ES) |
| Sisonke | uBuhlebezwe | Sobengwe Trading Enterprise | Sobengwe Trading PTY LTD | ? | 266.8181 | LRAD | 2008 | Redistribution | 8 | 0 | 8 | 9-Apr-08 | Timber Plantation | Commercial Agriculture | Portion 4 of the Farm Eersteling No. 1370 |
| Sisonke | uBuhlebezwe | Kia-ora/Bhida | The Bhida Communal Property Trust | Sappi involved | 550.6921 | LRAD | 2009 | Redistribution | 0 | 0 | 56 | 27-Feb-09 | Forestry, sugarcane, game | Commercial Agriculture | Remainder of Portion 1 of the farm Lange Fontein No. 1019, Portion 5 (of 1) of the Farm Lange Fontein No. 1019, The farm Amant No. 11201 |
| Itembe | KwaDukuza | Kwacele Community Claim | Kwacele Ntlangweni Communal Property Trust | ? | 3063.798 | RDG | 2008 | Restitution | 520 | | 3668 | 25-Mar-09 | Sugarcane plantation & Timber plantation | Commercial Agriculture | |
| Itembe | KwaDukuza | Waterfall Community Claim | Waterfall C Claim | ? | 200.5643 | RDG | 2009 | Restitution | 581 | | 3.942 | 2009 | Sugarcane and Gum plantations | Commercial Agriculture | |
| Itembe | Mandeni | Mine Own Trust | RSA | ? | 195.9452 | PLAS | 2009 | Redistribution | N/A | N/A | N/A | 28-Apr-09 | Timber, sugarcane, citrus | Commercial Agriculture | Remainder of Portion 1 of Lot 5 of the Farm Cottonlands No. 13874 |
| Amajuba | Newcastle | Charlestown Community Claim | Charlestown Community Trust | NCT | 7973.4196 | RDG | 2004 | Restitution | 1100 | | 6600 | 15-May-06 | Timber Plantation, Dairy and Agricultural farm | Commercial Agriculture | |

Annexure G: Part 1 – Questionnaire

Frequency Table

What is the age of the business operator/manager?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|--------------------|
| 31 - 40 years | 1 | 12.5 | 12.5 | 12.5 |
| 41 - 50 years | 2 | 25.0 | 25.0 | 37.5 |
| 50+ years | 5 | 62.5 | 62.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

What is the manager's education background?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| Std 6 - Std 10 | 4 | 50.0 | 50.0 | 50.0 |
| Post matric | 2 | 25.0 | 25.0 | 75.0 |
| Diploma / Degree | 2 | 25.0 | 25.0 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

For how long have you been involved management of this project?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|-----------|---------|---------------|--------------------|
| 0 - 1 year | 3 | 37.5 | 37.5 | 37.5 |
| 1 -5 Years | 5 | 62.5 | 62.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

Indicate the average time spend on the project n hours per day?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|-----------|---------|---------------|--------------------|
| 6am - 1pm | 3 | 37.5 | 37.5 | 37.5 |
| Varies | 5 | 62.5 | 62.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

Previous working? business experience before involved in this project?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| Financial Sector | 1 | 12.5 | 12.5 | 12.5 |
| Education Sector | 6 | 75.0 | 75.0 | 87.5 |
| Managing Business | 1 | 12.5 | 12.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

How important is the impact of cash-flow management to the project's stability?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Of neutral impact | 2 | 25.0 | 25.0 | 25.0 |
| Very important | 3 | 37.5 | 37.5 | 62.5 |
| Absolutely Critical | 3 | 37.5 | 37.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

Is the annual contract rate adjustment smoothens the cash flow projection?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Very important | 3 | 37.5 | 37.5 | 37.5 |
| Absolutely Critical | 5 | 62.5 | 62.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

What is the monthly turnover?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| R180 001 - R240 000 | 1 | 12.5 | 12.5 | 12.5 |
| R100 001 - R180 000 | 1 | 12.5 | 12.5 | 25.0 |
| <R100 000 | 6 | 75.0 | 75.0 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

What is the annual net profit for the project to be sustainable?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| R60 001 - R90 000 | 2 | 25.0 | 25.0 | 25.0 |
| R30 000 - R60 001 | 6 | 75.0 | 75.0 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

Are the financial records officially audited?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Yes | 2 | 25.0 | 25.0 | 25.0 |
| No | 6 | 75.0 | 75.0 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

How many people are employed in the project?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|-----------|---------|---------------|--------------------|
| 21 - 30 | 1 | 12.5 | 12.5 | 12.5 |
| 31+ | 7 | 87.5 | 87.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

What is the hourly rate of payment?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------|-----------|---------|---------------|--------------------|
| General Worker(s) | 2 | 25.0 | 25.0 | 25.0 |
| supervisors | 2 | 25.0 | 25.0 | 50.0 |
| Administrative | 4 | 50.0 | 50.0 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

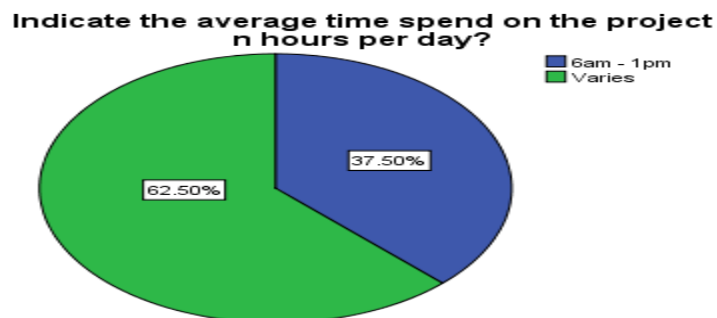
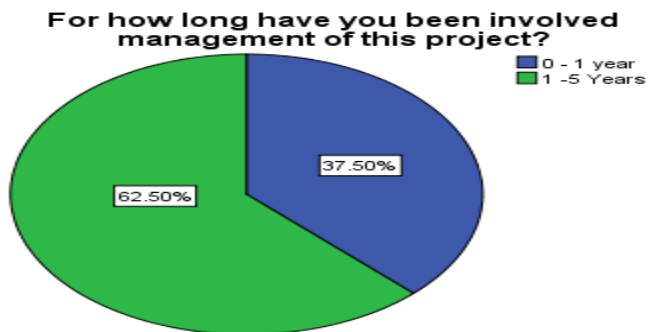
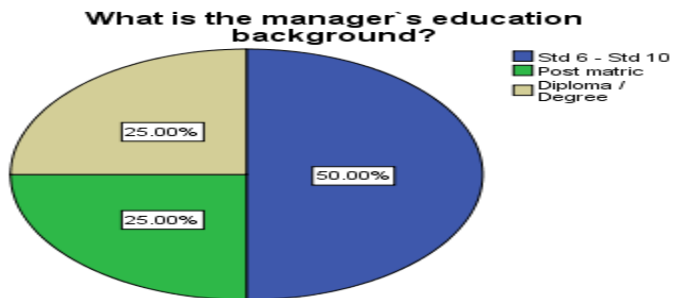
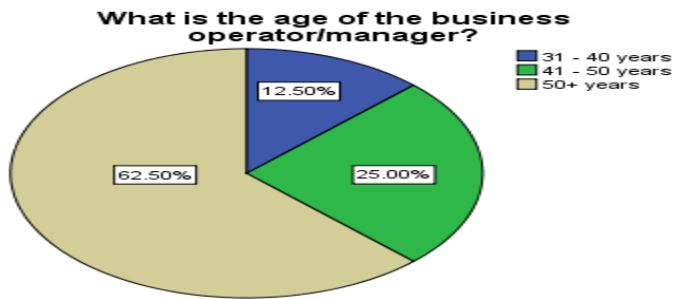
How often do staff (i.e general workers)attend training courses?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------|-----------|---------|---------------|-----------------------|
| Once a year | 4 | 50.0 | 50.0 | 50.0 |
| Once in two years | 3 | 37.5 | 37.5 | 87.5 |
| No training at all | 1 | 12.5 | 12.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

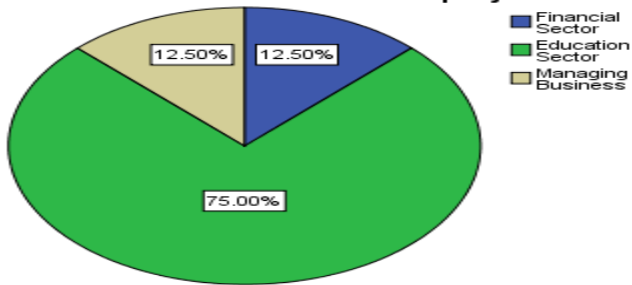
Which of the following forms of remuneration do you provide?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------------------|-----------|---------|---------------|-----------------------|
| Monthly fixed wages | 7 | 87.5 | 87.5 | 87.5 |
| Monthly fixed wages + commission | 1 | 12.5 | 12.5 | 100.0 |
| Total | 8 | 100.0 | 100.0 | |

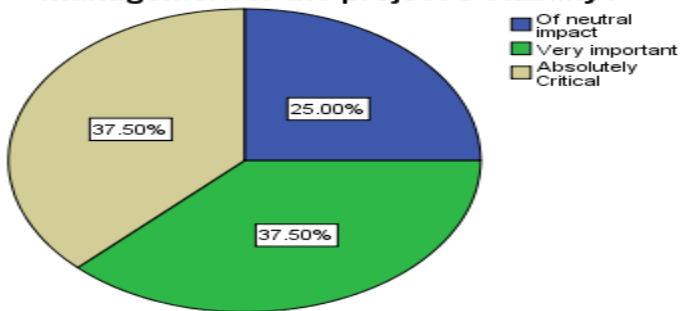
Pie Chart



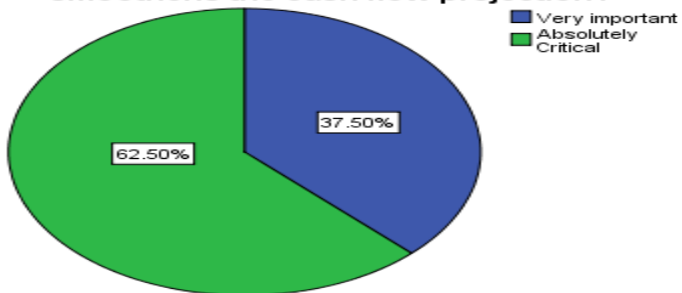
Previous working ? business experience before involved in this project?

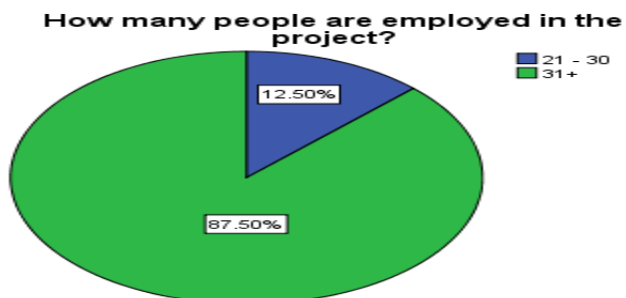
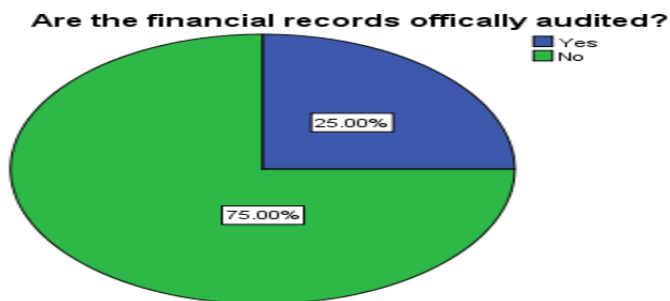
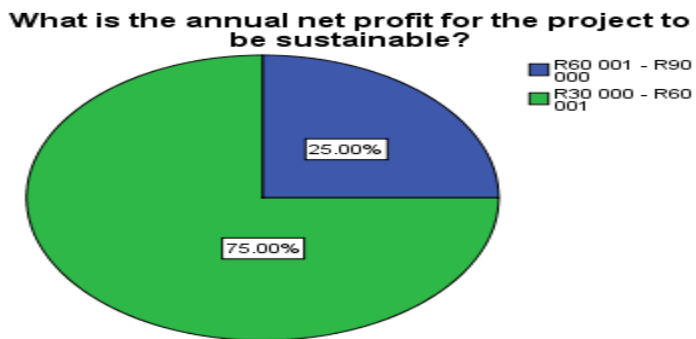
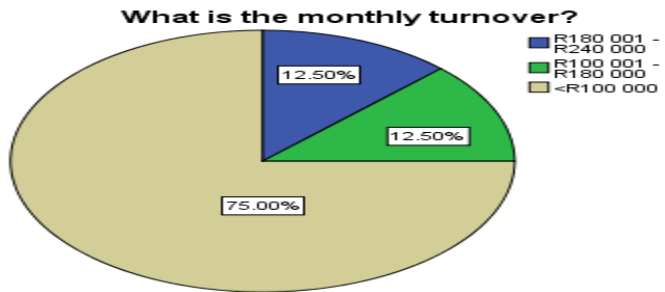


How important is the impact of cash-flow management to the project's stability?

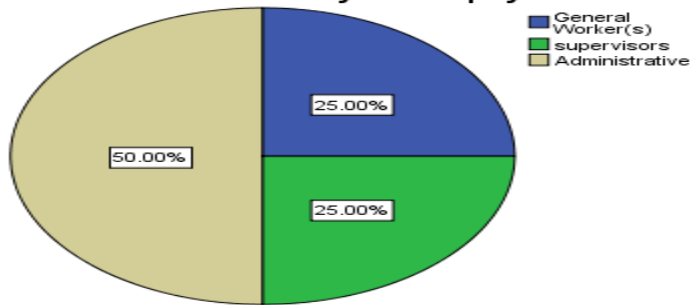


Is the annual contract rate adjustment smoothens the cash flow projection?

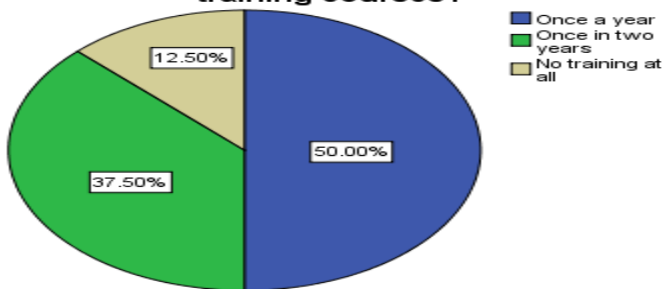




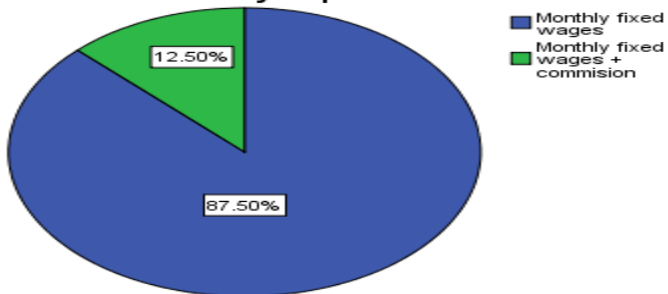
What is the hourly rate of payment?



How often do staff (i.e general workers)attend training courses?



Which of the following forms of remuneration do you provide?



Annexure H: Part 2 – Questionnaire

Frequency Table

What are the main key areas that make this project important to the community?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------------|-----------|---------|---------------|--------------------|
| Poverty alleviation | 8 | 33.3 | 33.3 | 33.3 |
| Provide jobs | 8 | 33.3 | 33.3 | 66.7 |
| Social security | 3 | 12.5 | 12.5 | 79.2 |
| People working for themselves | 4 | 16.7 | 16.7 | 95.8 |
| Sustainable project | 1 | 4.2 | 4.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

How are the equipment used in this project financed?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Loan | 13 | 54.2 | 54.2 | 54.2 |
| Lease | 10 | 41.7 | 41.7 | 95.8 |
| Cash | 1 | 4.2 | 4.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

What was the experience in accessing funding and which institution provided funding when the project started?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------|-----------|---------|---------------|--------------------|
| Difficult | 14 | 58.3 | 58.3 | 58.3 |
| Impossible | 9 | 37.5 | 37.5 | 95.8 |
| Possible | 1 | 4.2 | 4.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

What drivers the projects to be successful to date since inception?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|----------------------------|-----------|---------|---------------|--------------------|
| Support from corporate | 9 | 37.5 | 37.5 | 37.5 |
| Mentor support | 10 | 41.7 | 41.7 | 79.2 |
| Trained trustees | 2 | 8.3 | 8.3 | 87.5 |
| Support from beneficiaries | 3 | 12.5 | 12.5 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Is there a dedicated mentor for the project?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|-----------|---------|---------------|--------------------|
| Yes | 15 | 62.5 | 62.5 | 62.5 |
| No | 9 | 37.5 | 37.5 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

How does the project contribute to capacity building of community members and contribution as part of Local Economic Development initiatives?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|------------------|-----------|---------|---------------|--------------------|
| Employed 100+ | 16 | 66.7 | 66.7 | 66.7 |
| Bursary scheme | 4 | 16.7 | 16.7 | 83.3 |
| Technical skills | 4 | 16.7 | 16.7 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Is the project assisting to answer the Local Municipality Integrated Development Program?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----|-----------|---------|---------------|--------------------|
| Yes | 24 | 100.0 | 100.0 | 100.0 |

**How does the project contribute to the Kwazulu-Natal Spatial and Economic
Development Strategy and Industrial Development Strategy?**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------|-----------|---------|---------------|-----------------------|
| Success LRF | 19 | 79.2 | 79.2 | 79.2 |
| Good Agribuss | 5 | 20.8 | 20.8 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Where do you want to see the project in the next five years?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------|-----------|---------|---------------|-----------------------|
| Graduate | 14 | 58.3 | 58.3 | 58.3 |
| Own more assets | 8 | 33.3 | 33.3 | 91.7 |
| Value chain intergration | 2 | 8.3 | 8.3 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Will you recommend other community to implement similar projects in other districts?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------|-----------|---------|---------------|-----------------------|
| Yes: Work as team | 11 | 45.8 | 45.8 | 45.8 |
| Yes: Business skills key | 7 | 29.2 | 29.2 | 75.0 |
| Yes: Financial skill key | 6 | 25.0 | 25.0 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

**How have the youth, disabled and women`s empowerment issues been addressed in
the design of your project and how is it being addressed in the implementation of the
project?**

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|-----------------------|
| Bursary provided | 5 | 20.8 | 20.8 | 20.8 |
| Internship provided | 6 | 25.0 | 25.0 | 45.8 |
| SCI Projects | 13 | 54.2 | 54.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Does the project present an opportunity for collaboration and partnership with Previously Disadvantaged Group(s)? If yes, please give a brief explanation.

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------|-----------|---------|---------------|--------------------|
| Yes: Community Business | 17 | 70.8 | 70.8 | 70.8 |
| No: Already in existence | 7 | 29.2 | 29.2 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Is the project able to contribute to the assistance / contribution towards community social programs?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------------------|-----------|---------|---------------|--------------------|
| Yes: Other projects | 18 | 75.0 | 75.0 | 75.0 |
| Yes: Provide jobs | 6 | 25.0 | 25.0 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

Will these projects contribute towards rural economic development? If yes, please briefly describe how your project will present direct or indirect economic opportunities for rural community(s)

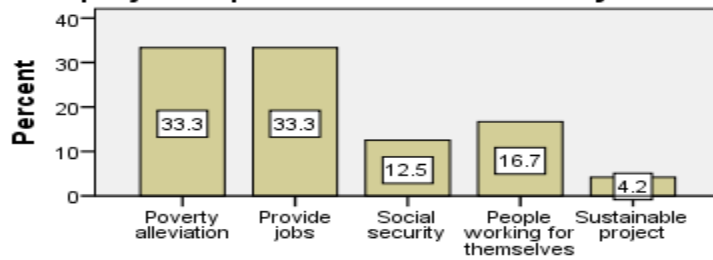
| | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----|-----------|---------|---------------|--------------------|
| Yes | 24 | 100.0 | 100.0 | 100.0 |

Any key learning we can share with other projects to survive and be sustainable?

| | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------------------------|-----------|---------|---------------|--------------------|
| Equipment ownership | 11 | 45.8 | 45.8 | 45.8 |
| Commitment | 10 | 41.7 | 41.7 | 87.5 |
| Business Diversification | 3 | 12.5 | 12.5 | 100.0 |
| Total | 24 | 100.0 | 100.0 | |

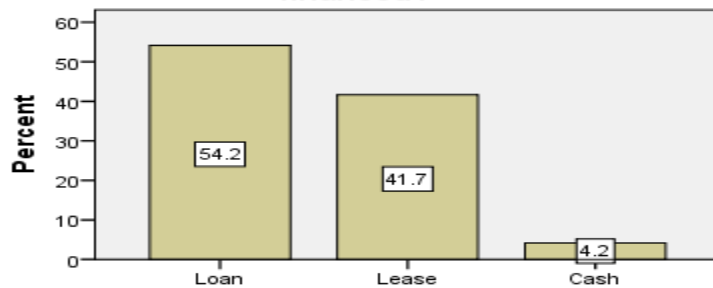
Bar Chart

What are the main key areas that make this project important to the community?



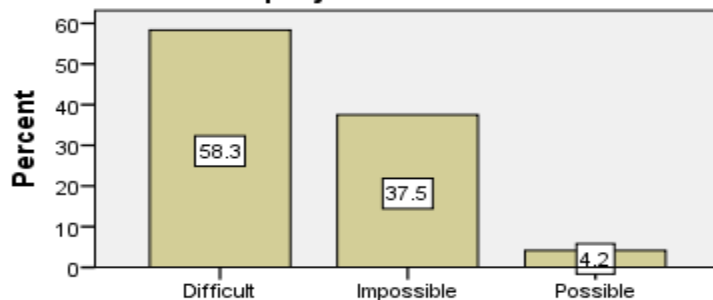
What are the main key areas that make this project important to the community?

How are the equipment used in this project financed?



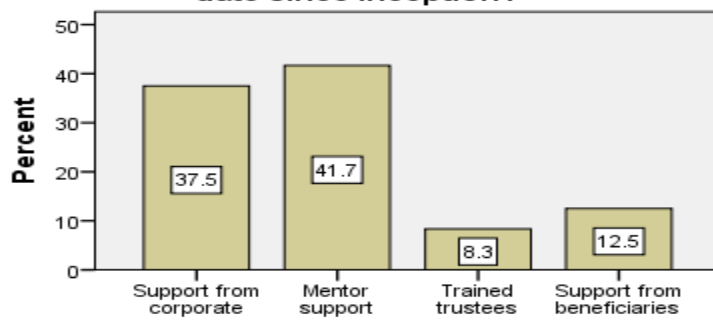
How are the equipment used in this project financed?

What was the experience in accessing funding and which institution provided funding when the project started?



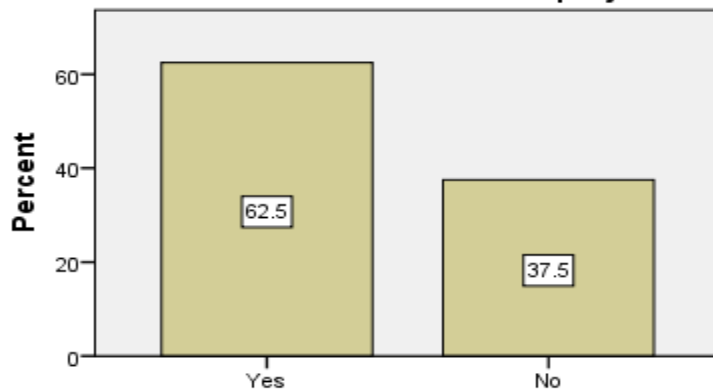
What was the experience in accessing funding and which institution provided funding when the project started?

What drivers the projects to be successful to date since inception?



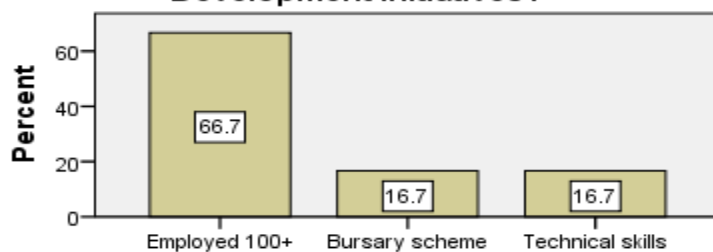
What drivers the projects to be successful to date since inception?

Is there a dedicated mentor for the project?



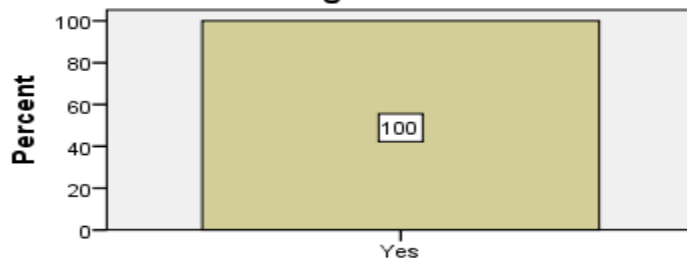
Is there a dedicated mentor for the project?

How does the project contribute to capacity building of community members and contribution as part of Local Economic Development initiatives?



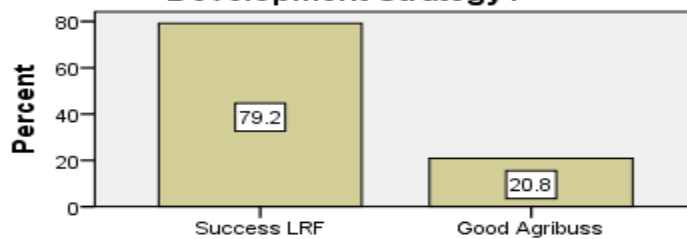
How does the project contribute to capacity building of community members and contribution as part of Local Economic Development initiatives?

Is the project assisting to answer the Local Municipality Integrated Development Program?



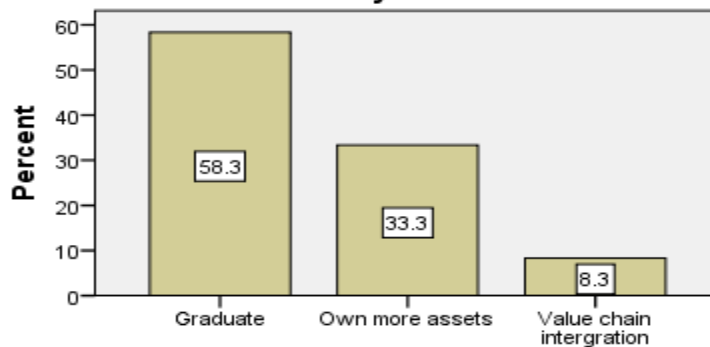
Is the project assisting to answer the Local Municipality Integrated Development Program?

How does the project contribute to the Kwazulu-Natal Spatial and Economic Development Strategy and Industrial Development Strategy?



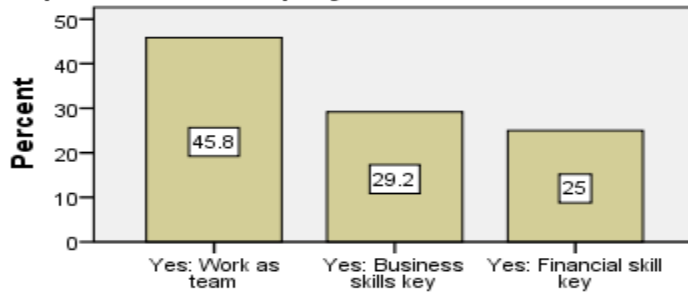
How does the project contribute to the Kwazulu-Natal Spatial and Economic Development Strategy and Industrial ...

Where do you want to see the project in the next five years?



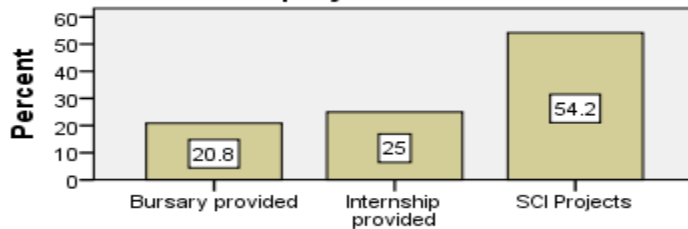
Where do you want to see the project in the next five years?

Will you recommend other community to implement similar projects in other districts?



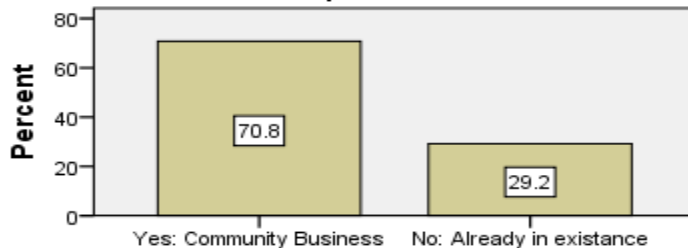
Will you recommend other community to implement similar projects in other districts?

How have the youth, disabled and women`s empowerment issues been addressed in the design of your project and how is it being addressed in the implementation of the project?



How have the youth, disabled and women`s empowerment issues been ...

Does the project present an opportunity for collaboration and partnership with Previously Disadvantaged Group(s)? If yes, please give a brief explanation.



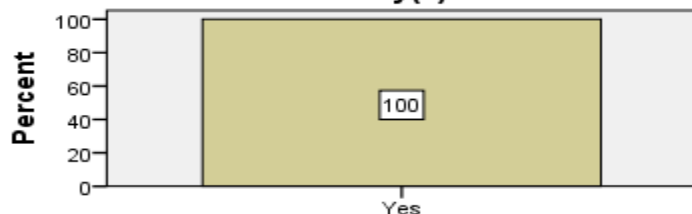
Does the project present an opportunity for collaboration and partnership with Previously Disadvantaged Group(s)? If ...

Is the project able to contribute to the assistance / contribution towards community social programs?



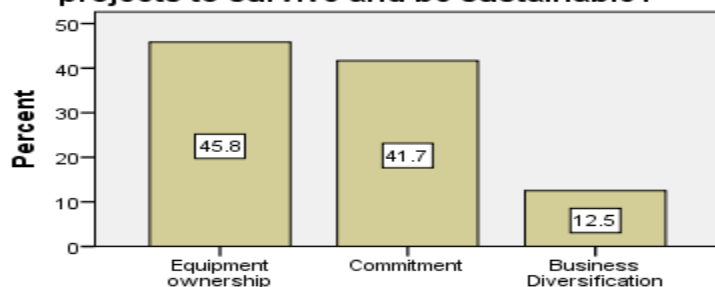
Is the project able to contribute to the assistance / contribution towards community social programs?

Will this projects contribute towards rural economic development? If yes, please briefly describe how your project will present direct or indirect economic opportunities for rural community(s)



Will this projects contribute towards rural economic development? If yes, please briefly describe how your ...

Any key learning we can share with other projects to survive and be sustainable?



Any key learning we can share with other projects to survive and be sustainable?

Annexure I: Land Reform Case Studies

Case No.1: KwaZiqongwana Community Trust

**BUSINESS PLAN FOR MIXED FARMING OPERATIONS, OPERATING
UNDER KWAZIQONGWANA COMMUNITY TRUST**

UNDER THE DIRECTORSHIP OF

KWAZIQONGWANA COMMUNITY TRUST

IN THE

**ZULULAND DISTRICT
MUNICIPALITY**

OF

KWAZULU-NATAL PROVINCE

REPUBLIC OF SOUTH AFRICA

Typed and Edited by: Alphons Dube

of

Mposa Agricultural Consultants

Contact Details

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Secretary: Kwaziqongwana Community Trust
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Historical Background

KwaZiqongwana is situated 20 kilometres from Babanago which is in Zululand District in the KwaZulu Natal Province. The community of KwaZiqongwana is composed of Mhlathuze, Mumbeni, Ngenetsheni, Ezimpungishane and Mbudu

This community claimed land from the Department of Rural Development and Land Reform, which is land being used by Mondi, this land has already been settled the claimants and needs to be used in an economical way, which will be dealt in depth in the next chapters. An institutional structure was put in place to safeguard the aspirations of the claimants, in this course the structure in place is a Trust. The Trust is the highest governing body of the community, which makes decisions and sends them down to the implementers who in turn should see to the smooth translations of policy to strategies for ensuring an economically sound community.

Transfer is legitimate and Mondi is very much willing to help/assist in the build up of a vibrant and economic sound community, which will in turn create job opportunities within. Kwaziqongwana

Introduction

A Land Use Plan was developed in order for the community to realise and affirm the lands' potential, and thus agree to the identified initiatives... It was through this land use plan that the business side of development was suggested to be put into a Business Plan, which will be a road map for the entire community of KwaZiqongwana. The Trust is at present benefiting economically through the lease funds from Mondi SA. These funds do not meet the aspiration of the entire community except in the form of ensuring that there is a good house keep of the existing homesteads.

Farm size

The farm size is 5200 hectares, of which the larger part is planted with forestry by Mondi SA and there is a very small portion which can be used for farming purposes. This farm has a potential for the commercialisation of Broilers, cattle, goats, sheep, and vegetable production. There are 4 homesteads of which 3 are fenced and 1 is without a fence.

Population

The population is +/- 215 households of which more than half are women and children, a few of the male youth is either working in Empangeni, Richardsbay Mondi Forestry, and the neighbouring farms.

Economic Patterns

In most families its one member working, who then feeds the family, and fails to afford better schooling for the immediate siblings.

Approach to bettering the livelihood of KwaZiqongwana Communities

There are a lot of chances to organise youth to form into Cooperatives, so as to embark on economic ventures, which can be managed by a neutral individual who can be hired by the Trust to do so.

Skills Audit

A skills audit has been conducted and the findings are that there are 20 experienced and licensed drivers, 1 individual with a 10 year experience in broiler production, 6 bricklayers, the rest are individuals who are trainable to take part in the implementation of the proposed business initiatives. There are 2 training institutions which come into mind especially in the individual skills acquisition of the below tabled business initiatives. These are Buhle Farmers Academy Delmas Mpumalanga Province and Owen Sithole College of Agriculture in Empangeni KZN Province. (Animal Production, Broiler Production, Crop Production, Vegetable and Vegetable Nursery Production, the Home-economic strategy (Sewing, Candle making, Brick and block making, Polish and Soap making) will be tackled by Owen Sitole College of Agriculture, as part of their social responsibility component.

Skills Summary

- 20 people: Experience & License Drivers
- 1 person: 10 yrs Experience (Broiler Production)
- 6 people: Bricklayers

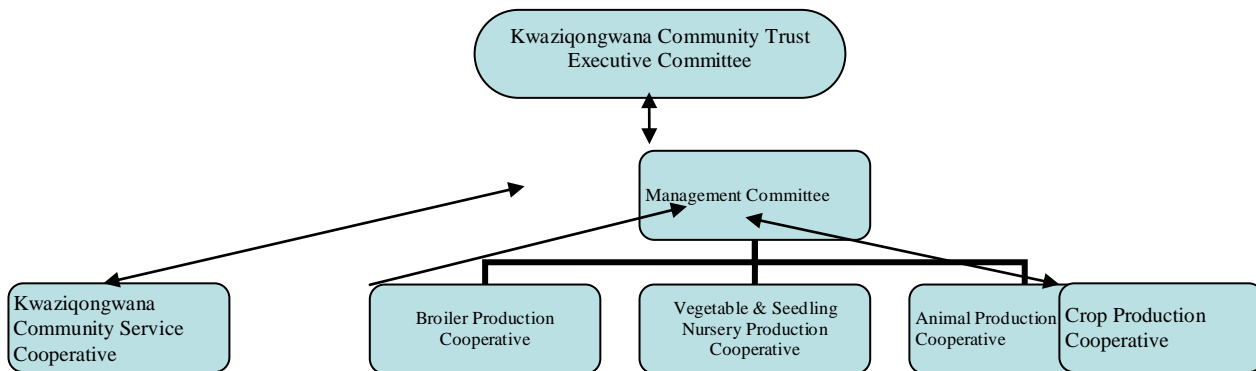
The following items will be discussed at length in the Business Plan of Kwaziqongwana Community Trust.

- ❖ The recommended Business Structure
- ❖ Target market
- ❖ Mission statement
- ❖ The tabulation of the objective as driven from the mission (immediate, medium term and the long-term)
- ❖ The available and non-available but wanted resources
- ❖ SWOT/C analysis
- ❖ Marketing Plan
- ❖ Production Plan
- ❖ Financial Plan
- ❖ Management and Implementation Plan

Executive Summary

The Kwaziqongwana Community Trust will only fulfil the community needs if funds and skills become available to implement the below stipulated business ventures. A vegetable nursery, vegetable production, Broiler production, Beef production, Goat production, Pasture production, the Quarry production, and Soyabean production which will cost R1 889 862. The Production costs will be R1,160,020.00 and the Overhead costs will be R152,100.00. The expected income will be R10,936,450.00 from the above businesses. The total running costs is R1,312,120.00 which results with projected profit of R9,624,330.00.

The Kwaziqongwana Trust Committee Institutional Framework



KwaZiqongwane Trust Committee Members

Mr. Moses Ntombela
Mr. Mzwakhe Mhlongo
Mr. Bongani Ntombela
Mr Mbekiseni Njoko
Ms Dingeni Mthimkhulu
Ms. Margaret Skhakhane
Ms. Sizakele Ntombela

Functions of the proposed Institutional Framework of Kwaziqongwana

The top structure represents the Executive Committee of the Trust, under it is the Management Committee which comprises 5 managers from the 5 cooperatives and 3 members from the Executive Committee (Chairperson, Secretary and the Treasurer) the bottom line of command is within the respective cooperative structures.

The cooperatives reports to the managers who in turn report to the management committee, which reports to the Executive Committee and vice versa.

Nature of the business

Mixed Farming: Broiler, Beef Feedlot, Crop production Goat, Vegetable-nursery and Vegetable production.

Target Market

The surrounding villages, towns and to as far afield as Ulundi, Nkandla, Nqutu Babanango

Mission Statement

To go full-force into the production and marketing of all aspects of animal and plant production and other related community developments in the designed area for the local and far afield markets for an indefinite period.

KCT Objectives

Immediate

To inspire youth to form into cooperatives formed on the basis of commodity groups, whose main task will be to produce commodities in bulk for the local and surrounding markets.(Broilers, Beef, Pasture, Goats, Quarry, Soyabean, Vegetable nursery and Vegetable production.)

Medium term

To send out Business plans to relevant funders so as to get funds to start the implementation phase of each particular business. To erect Broiler-houses and fencing of lands

Long-term

To increase the breeding stock so as to benefit all the segments of the market

To initiate other related processing plants for other commodities and an abattoir facility for chicken, within the farm, and a chicken meat supplier outlet in Melmoth town

Resources

| Available | None Available | Needed |
|----------------------------|--------------------------|--|
| Land (arable and grazing) | Fence | Funds to buy fence |
| Labour | Skilled | Funds for Capacity Building |
| Timber | Adequate water resources | Funds to sink boreholes and equip them |
| Boreholes 4 all functional | | |
| Homesteads 4 | | |

SWOT Analysis

i) Strength

The farm has very rich soils, which can be utilised for an assortment of vegetables, whilst most of the beneficiaries have either been involved in the same as farm-workers or as project members in Mhlathuze

ii) Weaknesses

There are inadequate water resources, thus caused by the forestry plantation, which is still going to be in for between 10 to 20 years before harvest, after which ownership will be switched to KCT, and will be expected to run with it.

iii) Opportunities

The funds from the lease agreement entered into by Mondi and the Trust could provide a kick-start for seed money in the establishment of vegetable gardens and the value-adding (packaging process) The members of the Trust have already undergone a number of skills acquisition courses and have an opportunity of going through commodity based courses, so as to sharpen their hands-on skills and knowledge in developing strategic plans for the business implementation process

iv) Threats

These could possibly be natural causes which no-one has power to control, such as drought, disasters and floods.

Challenges

The biggest challenge, will be stealing of fences and products, whilst the other challenge is ensuring that quality management systems are adhered to.

Marketing Plan

Market Research has already been conducted in and around KwaZiqongwana for the above mentioned products. It is with pleasure to announce that the findings are that, the closest market for broilers is the local community and the communities within the five kilometre radius from the Community Trust office.

The market for cattle, chicken, goats and soyabean is within 70-100 kilometre radius from the KCT offices. Vegetable seedlings and vegetables will be sold within the surrounding locality and at an outlet proposed to be pitched at Babanango or Melmoth Growth Points.

Fodder feed in pasture formulation will be planted and sold within the surrounding communities. This means a total of 1000 bales of grass per season sold for R250.00 each, that is an income of R250 000.00. In order to have a constant supply of beef, livestock farmers will have to buy weaners which will get supplementary feeding in order to speed up the weight as needed by the markets. These will be sold @ about R20/kg x 200kg each to R22/kg x 220 kg each, which is = R 4 000 to R4 400 each weaner This part will be strengthened through the introduction of a feedlot, which has been identified as a long-term objective. The already targeted market is the Babanango Abattoir.

The soya will be sold to Afgri , up to a time when the soya milk processing plant is bought and a contract with either the Department of Education's or the Department of Health's Feeding scheme is signed.

Future Market Demand

The market demand for red meat is very high, as a result the local markets will need to get ample product satisfaction, before the outside markets can be considered, which is in this instant, the Babanango Abattoirs.

PRODUCTION PLAN

| ACTIVITY | START DATE | END DATE | PERSON RESPONSIBLE | HOW WILL THIS BE DONE | EXPECTED OUTCOME |
|---|------------|--------------------------|--|--|--|
| Present Business Plan to prospective funder | 13/05/2011 | 10/03/11 | Production Manager | Send out Business Plans through courier | Funds are in account for use. |
| De-bush land to be fenced around camp sites | 15/06/11 | Until installation phase | Production Manager | Some broken poles will be retrieved from the fence site and bush will be cleared | Fence is bought and installed according to prescribed measures |
| .Fence up camps and Erect Broiler Houses | 25/06/11 | indefinite | Production Manager | Request for treated poles and relevant material | Broiler houses are in place |
| Order Chicken, Cattle as prime stock | 03/07/11 | 07/07/11 | Production Manager | Place order with cattle sellers or day-old chick sellers | Chicken are in houses and cattle are in camps |
| Approach the vegetable seed sellers with a letter of Business Plan acceptance by the funder | 20/07/11 | 24/07/11 | Production Manager | Approach Mondi with nursery plan including a quotation of material needed | Seedling tray bought and in the farm in end of July |
| Prepare land for planting Plant Grasses, soyabean and vegetable seedlings | 25/07/11 | 31/07/11 | Production Manager | To organise grass and , soyabean seed, fertilizers, fuel and implements for tilling and planting grass | Grasses and soya are growing |
| Design a stock record-book | 16/08/11 | indefinite | Production Manager and staff | Train the mentee in record keeping | A stock Record book is in place |
| Encourage the members to form into study groups so as to get unlimited skills transfer | 2008//11 | indefinite | Production Manager and coop membership | Train the mentee the skills of organisational development, entrepreneurship and life skills | A Tertiary coop is formed |

Production Plan**i) Langfontein Community**

The Langfontein community has the Etheke quarry which will be commercialised within the KwaZiqongwana community, a Managing structure will be put in place in order to run the business in a proficient and professional way. This structure will ensure that there is a consistent flow of the supply of quality quarry to the benefit of builders and road rehabilitation scheme.

Broilers will be in Driefonntein and later in Minhoop

5 x 6000 chick holding capacity sheds need to be erected for Broilers = Ross A1,x 30 800 Broilers per month will be raised for the market, which will be a batch of 5 000 broilers /week sent to the market x 4 = 20 000 broilers per month. The selling price is R15/kg and the approximate weight will be 2.2kg x 20 000broilers = R600 000.00 per month for live chicken.

Note: to ensure that there is succession one needs to order 22 000 day-old chicks every month and only supply the 20 000 to the bigger markets, if there is any surplus after the mortality has been subtracted, thus the one to be supplied to those buying less than 5 at a go.

Goats

Goats meat and milk are a cure for bone diseases e.g. Arthritis which is common to the general public. It is common knowledge in the far Northern part of Africa that goats play a major role in the black society as spirit appeasing ceremonies are not complete without it. In KZN goats are in short supply and are now slaughtered specifically for the appeasement of ancestral-spirits and don't usually come cheap. For the goat commercialisation business to flourish the following production plan has to be strictly followed.

Market -satisfaction

The first place one has to go to for a constant supply will be to visit the already existing goat commercialisation structures in Zululand after which consider the Taung, Vryburg or Kuruman areas of the North West Province, so as to ensure that although one will be compelled to also produce locally, the market-satisfaction should come first.

A satisfactory goat production plan will be to start with at least 500 nanny-goats and 10 billy-goats; these will be the Boer-goats, whose production rate is very good provided they are kept in a very bushy place. They normally produce twins or triplets per birth season. The selling price of each goat is R 1 000 each x 300 weaners = R360 000.

Vegetable Nursery and Crop Production

Mhlathuze and Etheke communities have ample land which can be used for dryland cropping and vegetable production' The dryland crops to be produced will be soyabeans, which can be processed into fresh milk which will be sold to either the Ministry of Education 's feeding scheme. A processing plant has already been identified and it comes with a course content which will make its function a lesson to be considered by all concerned.

Vegetable Nursery

An assortment of vegetable seedling will be produced and sold at 85cents per seedlings to those who will come to pickup on their on, however the price will be R 1.00 for those buying in thousands and requesting deliveries, within the 30km radius. Vegetables produced will be sold to the local supermarkets and a vegetable outlet will be pitched on the cross-roads, so as to ensure that all parts of Babanango get fresh vegetables.2 hectares of cabbage will total 80 000 cabbages x R5 each = R400 000.

Financial Plan:

a) Fixed Cost Budget

| QUANTITY | ITEM | PRIZE/UNIT | TOTAL COST |
|------------|---|------------|----------------------|
| 50 x | 2 in 1 cows Beef Master | R 10 000 | R500 000 |
| 5 x | Drinking troughs(beef and goats) | R 1 000 | R 5 000 |
| 3 x | 5 000litre Jojo Tanks | R 2 700 | R 8 100 |
| 100 x | Indigenous goat breeds | R 600 | R 60 000 |
| 15 x rolls | 250mm x 540m IOWA Barbed wire | R 1 350 | R 27 000 |
| 10 x | 1800 x 75mm POSTS C/W CAP & BASE | R 110 | R 1 100 |
| 50 x | 1.850M"K" STANDARDS | R 35 | R 1 750. |
| 30 x Rolls | 1.5m Net wire Jackal Proof (vegetable production) | R 700 | R 21 000 |
| 1 x | 1.60MM X3175M BINDING WIRE | R 1 200 | R 1 200 |
| 1 x | 4 rows JOHN DEERE PLANTER | R 26 500 | R 26 500 |
| 2 x | 30 000 Capacity Broiler Houses (equipped) | R 185 000. | R370 000 |
| 50 x Rolls | 1.5 Netwire and poles and anchors | | R 55 000 |
| 1000 | Polythene seedling trays | R 10 | R 10 000 |
| 1 x | SLASHER | R 17 500 | R 17 500 |
| 1 x | 385 Massey Ferguson Tractor | R 270 000. | R270 000 |
| 1 x | 4 Dish disc plough | R 25 000 | R 25 000 |
| 1 x | Hay rake | R 12 500. | R 12 500 |
| 10 x | Wheelbarrow | R 400 | R 4 000 |
| 10 x | Spade | R 125. | R 12 500 |
| 3 x | Garden Fork | R 85. | R 255 |
| 4 x | 18 litre knapsack Sprayers | R 320 | R 1 280 |
| 1 X | Fully equipped Drip Irrigation system/ha | R 98 422 | R 98 422 |
| 1 x | Veg.Nursery net and poles for a 2500 square meter | R 40 000 | R 40 000 |
| 3 x | Garden Rake | R 85. | R 255 |
| 1 x | 8 ton Trailer | R 55 000 | R 55 000 |
| 1 x | 3000 x Diesel Longbase Toyota Bakkie | R279 000 | R279 000 |
| | Sub Total | | R1 889 862.00 |

b) Production Costs

| QUANTITY | ITEM | UNIT PRIZE | TOTAL COST |
|---|-----------------------------|----------------|--------------------|
| 5 x 6 months | Production Manager | R 4 500.00 | R135.000. |
| 35 x 6 months | Workers | R1 500 | R315 000. |
| 20 x 25kg | Turf seed | R 1 500 | R 30 000 |
| 35 x | Protective Clothing | R 400 | R 14 000 |
| 30 x 25kg | Soyabean seed | R 850/25kg | R 25 500 |
| 80 x 50kg | Limestone Ammonium Nitrates | R 500/50kg | R 40 000 |
| Assortment of vegetable seeds and seedlings | Vegetables for 4ha | R 25 000 | R 25 000 |
| 40 800 | Ross 1 day-old chicks | R 5/chick | R204 000 |
| 640 x | 50kg/bags starter mesh | R182/50kg bags | R116 480 |
| 960 x | 50kg/ bags growers mash | R172/50kg bags | R165 120 |
| Assortment of pesticides and disinfectants | | | R 90 000 |
| | SubTotal | | R1 160 020. |

c) Overhead Costs

| QUANTITY | ITEM | UNIT PRIZE | TOTAL COST |
|--------------------|-----------------------------------|--------------|---------------------|
| 1 x 12 months | Tel/Cell. | R 500/month | R 6 000 |
| 1 x | Stationery | R 600 | R 600 |
| 20 x | Casual workers | R 600/person | R 12 000 |
| 12 x | Transport and maintenance costs | R5 000 | R 60 000 |
| 10 x 100ml invomac | All purpose Vaccines | R 1 200.00 | R 12 000 |
| 15 x 25lt | Dip | R 2 100 | R 31 500 |
| 20 x 100ml | Worm remedies | R 750. | R 15 000 |
| | Dehorning castration and branding | | R 15 000 |
| | Sub Total | | R 152 100.00 |

d) Cash Flow

| QUANTITY | ITEM | UNIT PRIZE | TOTAL COSTS |
|------------------------------|----------------------|-------------------|---------------------------|
| 23 x | Weaners | R20/kg x 220kg | R 101 200 |
| 1000 x Bales | Grass | R250/bale | R 250 000 |
| 60 tonnes | Soyabean | R 1 900 | R 114 000 |
| 16 x 20 000 batches broilers | Broilers | R 30 | R9 600 000 |
| 75 | Goats | R 900 | R 71 250 |
| 80 000 | Cabbages | R 5 | R 400 000 |
| | Sub Total | | R10 936 450 |
| Minus | Running costs | R1 312 120 | R 1 312 120 |
| | Grand Total | | <u>R 9 624 330</u> |

Implementation Plan

The best way to deal with this complex implementation strategy, will be to hire qualified Managers who will receive commission as part of the incentives available, provided they bring more business to the enterprises, there will be a need to have outside evaluators who will assess progress and give recommendations to the Executive Committee of Kwaziqongwana Community Trust.

Case No.2: Siyathokoza Community Trust

COMMISSION ON RESTITUTION OF LAND RIGHTS

SIYATHOKOZA TRUST

BUSINESS PLAN

MAY 2009

Report prepared by:

MZ Technical Services (Pty) Ltd

1. EXECUTIVE SUMMARY

1. The business interests of The Siyathokoza Trust will be operated through Ikhasi Pty Ltd. The profits from Ikhasi Pty Ltd are intended to be re-invested to grow the wealth of the amaHlongwa community.
2. The 140 households are the direct beneficiaries of any Trust-related businesses in terms of profit-sharing and job creation. The claimant community looks to the Trust to fund various socio-economic needs.
3. The area under consideration can be categorized as follows:
 - 3.1. Property previously owned by Mondi is referred to as the “Mondi lease”: which in total is 1 667ha.,consisting of 1272 ha of forestry,112 ha of sugar cane and 283 ha which is “open”.
 - 3.2. Property previously owned by uShukela, comprises 1487 ha. consisting of gum: 342.6 ha and cane: 540 ha currently. The balance of 603 ha is open area.
 - 3.3. “Open areas” thus constitute 283 ha plus 603 ha totaling 886 ha.

| Previous own. | LAND USE | | | |
|---------------|----------|-------|------|-------|
| | FORESTRY | SUGAR | OPEN | TOTAL |
| Mondi | 1272 | 112 | 283 | 1667 |
| Ushukela | 343 | 540 | 603 | 1486 |
| TOTAL | 1615 | 652 | 886 | 3153 |

4. This business plan investigates 7 existing and potential enterprises:

The larger enterprises are:

- Timber
- Cane.

Other smaller scale operations could be:

- Small-scale livestock farming (which may or may not be a Trust-operated business)
- Honey production / Bee-keeping
- Avocado production
- Charcoal production.
- Potato production
- Vegetable production (selling the produce to the locals)

These enterprises will be established as and when the community / Trust is ready to implement them.

5. Forestry Production

One of the main land uses is forestry, growing mainly gum and wattle trees, the total area under Forestry is 1 614.6 ha.

- 5.1. The farm known as Sutherlands is being leased to Mondi until 2018, with an option to extend the lease by ten years.
- 5.2. Recommendation:
Option 1: Undertake a separate management contract on the 342.6 ha.
and remit lease fees – which accrue to the amaHlongwa via Ikhasi Pty Ltd. Plantations to be leased at a rate still to be negotiated.

Option 2: Ikhasi Pty Ltd self-manages the 342.6 ha and obtains the services of an industry-specialist as mentor or JV partner. This provides for capacity-building of management and technical skills within the forestry sector and maximizing profits.

Option 3: Lease the property to Mondi, thus receiving a lower but risk free income with guaranteed Forestry Stewardship Council (FSC) certified plantations (see 4.3 below). **Subject to Mondi ensuring that the whole area (1 614.6 ha.) is in rotation at the completion of the lease period.**

6. Ikhasi contracting

The amaHlongwa claimant community has been operating as a Siviculture contractor on their property for Mondi since May 2008. It is proposed that they:

- perform all the Siviculture and Fire prevention work:
 - on the Mondi owned plantations
 - as well as on their own plantations (342.6ha)
 - also perform the establishment and maintenance activities of sugar cane on the ex-Shukela property.

Providing contracting services should not be viewed as an income generating enterprise because the profit margins are extremely low. It should rather be seen as an opportunity to empower the beneficiaries with knowledge and skills and the creation of permanent employment, which will contribute to Ikhasi eventually becoming a fully independent business i.e. not reliant on mentorship etc.

7. Cane Production

The second largest land usage is the production of sugar cane.

- 7.1. As shown in the above table under para. 3.3, the cane plantations comprise 652 ha. The 112 ha of 'Mondi cane' is being leased to Ekhamanzi at a rate of 13% of turnover until February 2013.
- 7.2. Siyathokoza Trust have already signed (in April 2009) a lease with Ushukela for the 540 ha at a rate of 6% of turnover as opposed to the possible 13% which they could have obtained from another operator and they will thereby lose R500 000 per annum.

8. Agricultural enterprises

Livestock farming and the production of - avocados, potatoes, vegetables (for sale to locals), honey, and charcoal are the other enterprises proposed in this business plan, with their own costing scenarios.

9. The following is the rationale for proposing these particular enterprises:

- It is financially prudent, to spread one's risk by introducing short term and long term crop and animal production.
- By doing this one is able to achieve more consistent cash flow through income from short term as well as longer term enterprises.
- In addition it is advisable to spread one's risk in relation to market types. Hence the variety enterprises.
- The proposed enterprises have a favorable history / record in terms of markets, prices and viability / profitability. This does not exclude accommodating entrepreneurial projects from the community.

10. Each business unit would be set up independently. Business units would require a supervisor / manager, labour as well as relevant infrastructure.
11. A Chief Executive Officer will be appointed by the Board of Directors of Ikhasi Pty Ltd; to provide overall management and oversight of the businesses of Ikhasi Pty Ltd, and to ensure statutory compliance and provide strategic direction, taking into account the particular socio-economic imperatives of the Siyathokoza Trust.
12. The CEO would be supported by an administration and marketing function.
13. A range of support would be required from financial institutions, industry-specific support organizations as well as from local and provincial government and their agencies.
14. Support / advice / mentorship should also be accessed from the farmers and farmer networks operating in the area. Thus a comprehensive but focused network of support agents would need to be sourced and managed.
15. In support of the social welfare and educational needs of the community, various community-based structures have been proposed. These would have to be rationalized and set up to function in tandem with the growing business interests of the Trust.

INTRODUCTION AND BACKGROUND

The purpose of the business plan is to inform and make recommendations to the amaHlongwa Claimant Community and the department of Land affairs. The first phase of the research process provided an in-depth analysis of the farms and interaction with the claimant community. These investigations form the basis of the business plan. This plan proposes various commercial enterprises which also have socio-economic aims consistent with the amaHlongwa's vision for their community.

Information and ideas were gathered through workshops with community leaders, trust members and the community at large. The processes followed in producing this report were participatory, integrated with analysis of the technical aspects of the various enterprises.

PROJECT STATUS

1938 – Expulsion of the claimants from their land by the apartheid regime.
1997 and 1998 - land claims were lodged against the then legal land owners.
2003 - A Land Claims Committee was formed and was unopposed by Mondi.
2005 The amaHlongwa Claimant Community Trustees were elected, participated in workshops and meetings, and the Siyathokoza Trust was registered.
2007 - The amaHlongwa Claimant Community received the Trust Deed which was an initiative of the proposed partnership between the Community and Mondi.
2008 - Siyathokoza Trust formed a company called Ikhasi Pty. Ltd to manage the business.

A series of workshops including a comprehensive PRA have been conducted to clarify issues concerning land ownership, governance and identification of business opportunities.

Matters related to community members' understanding of governance, the forestry value chain, relationship and authority between the tribal authority, local government and the broader community, were also clarified.

This was the preparatory work necessary to facilitate the planning of the businesses in more detail – with the aim being to debate, test viability and then start-up the various businesses and business arrangements.

Location

The properties are approximately 120 km north-west of Durban, between Stanger and Greytown and 15 km east of Kranskop, the closest town. The amaHlongwa area falls under the jurisdiction of the Umvoti Municipality and are more specifically located in the following areas:

- Mthombeni
- Thafamasi
- Sinyambothi

Objectives of the Business Operations

The Trust's duties are:

- to improve the quality of life of its members with reference to their social, economic, cultural and educational needs;
- to protect and preserve the resources on the Trust's property.

The Broader Community, administered by the amaHlongwa Traditional Council headed by Inkosi Hlongwa, will benefit in general from the community development initiatives spearheaded by the Trust and its partners.

The business plan has been developed in line with the needs and requirements of the local community. The overall objectives of the beneficiaries are:

- profit maximization
- job creation
- poverty alleviation
- economic development
- food security and provision of a range of socio-economic services.

Community identified needs

- electricity,
- potable water,
- water for agricultural purposes,
- housing,
- sanitation,
- health services,
- grazing camps and dip-tanks for livestock,
- transport infrastructure,

- employment opportunities,,
- sports and recreation facilities,
- access to educational opportunities / bursaries, mentorship..

Community Identified Businesses

The following enterprises are the basis of this proposal:

- Forest production – wattle and eucalyptus
- Livestock farming – small scale
- Crop production – cane, potatoes and vegetables
- Bee-keeping – honey production
- Charcoal and firewood production
- Avocado production

In this report the service provider investigates and proposes:

- how the land is to be used,
- impact of these proposals,
- initial remarks on the financial viability of the proposed usages,
- the relevant institutional arrangements – management structures.

Although commercial farming seems to be a priority, subsistence farming / livelihood production is still of paramount importance in the short term, moving towards income or profit generation as skills are developed.

In workshops the community leaders have displayed an understanding of the concepts and practices related to the forestry value chain. The need for comprehensive capacity and skills development is also acknowledged.

Annexure 1 – Silviculture costing

| | B | C | D | E | F | G | H | I | J | K | L | M | N | O |
|-----|---|---|---|---|---|---|------------------------|------------------------|-----------|------------|-----------|------------|-------------------|-----------|
| | COST ELEMENT | | | | | | Fixed or variable cost | Overhead / Direct cost | Cost/year | Cost/month | Cost/ day | Cost/shift | % contrib to rate | % of cost |
| 561 | | | | | | | F | O | 46201.95 | 3850.16 | 185.55 | 7.14 | 5.51 | 6.20 |
| 562 | | | | | | | F | O | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 563 | | | | | | | F | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 564 | MANAGEMENT AND SUPERVISION/CONTROL STAFF COSTS | | | | | | F | D | 353331.00 | 29444.25 | 1419.00 | 54.58 | 42.14 | 47.40 |
| 565 | DRIVERS | | | | | | V | O | 18480.00 | 1540.00 | 74.22 | 2.85 | 2.20 | 2.48 |
| 566 | CHAINSAW / BRUSH CUTTER OPERATORS | | | | | | V | D | 17417.21 | 1451.43 | 69.95 | 2.69 | 2.08 | 2.34 |
| 567 | ORDINARY LABOUR COSTS | | | | | | F | O | 100976.46 | 8414.70 | 405.53 | 15.60 | 12.04 | 13.55 |
| 568 | SECURITY STAFF COSTS | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 569 | BONUSES | | | | | | V | D | 14886.77 | 1240.56 | 59.79 | 2.61 | 2.02 | 2.27 |
| 570 | STATUTORY, PROVIDENT AND LOST TIME | | | | | | F | O | 16368.68 | 1364.06 | 65.74 | 2.53 | 1.95 | 2.20 |
| 571 | NUTRIENT SUPPLEMENTATION AND ACCOMMODATION | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 572 | PERSONAL PROTECTIVE EQUIPMENT | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 573 | TOOLS AND SMALL EQUIPMENT | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 574 | MANAGEMENT VEHICLE COSTS: FIXED | | | | | | F | O | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 575 | MANAGEMENT VEHICLE COSTS: VARIABLE | | | | | | V | O | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 576 | LABOUR TRANSPORT VEHICLE COSTS: FIXED | | | | | | F | D | 70885.99 | 5907.17 | 284.68 | 10.17 | 7.85 | 8.83 |
| 577 | LABOUR TRANSPORT VEHICLE COSTS: VARIABLE | | | | | | V | D | 56376.00 | 4698.00 | 226.41 | 8.71 | 6.72 | 7.56 |
| 578 | WATER CARTING / FIRE TENDER VEHICLE COSTS: FIXED | | | | | | F | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 579 | WATER CARTING / FIRE TENDER VEHICLE COSTS: VARIABLE | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 580 | WATER PUMP COSTS: FIXED | | | | | | F | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 581 | WATER PUMP COSTS: VARIABLE | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 582 | PUBLIC TRANSPORT | | | | | | F | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 583 | CHAINSAW COSTS | | | | | | F | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 584 | BRUSH CUTTER COSTS | | | | | | V | D | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 585 | ADMINISTRATION AND GENERAL OVERHEAD COSTS | | | | | | F | O | 53450.00 | 4454.17 | 214.66 | 8.26 | 6.37 | 7.17 |
| 586 | HIV and AIDS AND BBBEE COSTS | | | | | | F | O | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 587 | | | | | | | | | | | | | | |
| 588 | TOTAL COST PER MAN-DAY (SHIFT) FOR OPERATION | | | | | | | | 748374 | 62365 | 3005.52 | 115.13 | 88.89 | 100.00 |
| 589 | | | | | | | | | | | | | | |
| 590 | PROFIT BEFORE TAX | | | | | | | | 14.39 | 11.11 | % | | | |
| 591 | | | | | | | | | | | | | | |
| 592 | REQUIRED RATE PER SHIFT: | | | | | | | | R 129.52 | | | | | |

Annexure 2 (a) Forestry projected income

10.4 Projected Income

Scenario 1

- Sutherland leased to Mondi
- Hlongwa leased to Mondi
- Silviculture contracting performed on all properties by the community

| | | | | | | | | | | | |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Escalation | | 8.80% | 8.80% | 8.80% | 8.80% | 8.80% | 8.80% | 8.80% | 8.80% | 8.80% | 8.80% |
| Contracting | 1 | 1.088 | 1.088 | 1.184 | 1.288 | 1.401 | 1.525 | 1.659 | 1.805 | 1.964 | 2.136 |
| Rental | 1.088 | 1.184 | 1.288 | 1.401 | 1.525 | 1.659 | 1.805 | 1.964 | 2.136 | 2.324 | |

Projected Income Statement (Scenario 1)

| Year/ Operation | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| Timber sales | - | - | - | - | - | - | - | - | - | - |
| Contracting turnover | 903,020 | 982,486 | 1,068,945 | 1,163,012 | 1,265,357 | 1,376,708 | 1,497,859 | 1,629,670 | 1,773,081 | 1,929,112 |
| Rental & Stumpage | 1,121,786 | 1,171,520 | 1,315,244 | 1,442,262 | 1,581,584 | 1,734,407 | 1,902,043 | 2,085,931 | 2,287,653 | 2,508,942 |
| Total Income | 2,024,807 | 2,154,006 | 2,384,189 | 2,605,274 | 2,846,941 | 3,111,115 | 3,399,901 | 3,715,602 | 4,060,734 | 4,438,054 |
| Harvesting, Extraction & Transport | - | - | - | - | - | - | - | - | - | - |
| Net Income before Forestry Costs | 2,024,807 | 2,154,006 | 2,384,189 | 2,605,274 | 2,846,941 | 3,111,115 | 3,399,901 | 3,715,602 | 4,060,734 | 4,438,054 |
| Forestry Costs | | | | | | | | | | |
| Silviculture - Contracting | 802,685 | 873,321 | 950,173 | 1,033,788 | 1,124,762 | 1,223,741 | 1,331,430 | 1,448,596 | 1,576,072 | 1,714,767 |
| Management | 240,000 | 261,120 | 284,099 | 309,099 | 336,300 | 365,894 | 398,093 | 433,125 | 471,240 | 512,709 |
| Administration | 240,000 | 261,120 | 284,099 | 309,099 | 336,300 | 365,894 | 398,093 | 433,125 | 471,240 | 512,709 |
| Total Forestry Costs | 1,282,685 | 1,395,561 | 1,518,370 | 1,651,987 | 1,797,362 | 1,955,530 | 2,127,616 | 2,314,846 | 2,518,553 | 2,740,185 |
| Profit Before Interest & Tax | 742,122 | 758,446 | 865,819 | 953,287 | 1,049,579 | 1,155,586 | 1,272,285 | 1,400,755 | 1,542,181 | 1,697,869 |
| Interest | | | | | | | | | | |
| Profit Before Tax | 742,122 | 758,446 | 865,819 | 953,287 | 1,049,579 | 1,155,586 | 1,272,285 | 1,400,755 | 1,542,181 | 1,697,869 |
| Taxation | 207,794 | 212,365 | 242,429 | 266,920 | 293,882 | 323,564 | 356,240 | 392,211 | 431,811 | 475,403 |
| Net Profit | 534,328 | 546,081 | 623,390 | 686,366 | 755,697 | 832,022 | 916,045 | 1,008,544 | 1,110,371 | 1,222,466 |

Projected Cash Flow (Scenario 1)

| Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance | - | 559,506 | 571,812 | 652,764 | 718,708 | 791,306 | 871,227 | 959,210 | 1,056,067 | 1,162,692 |
| Receipts | 767,300 | 784,177 | 895,193 | 985,629 | 1,085,188 | 1,194,791 | 1,315,450 | 1,448,278 | 1,594,502 | 1,755,472 |
| Profit/(Loss) Before Interest & Tax | 742,122 | 758,446 | 865,819 | 953,287 | 1,049,579 | 1,155,586 | 1,272,285 | 1,400,755 | 1,542,181 | 1,697,869 |
| Grant funding | | | | | | | | | | |
| Interest received | 9% | 25,178 | 25,732 | 29,374 | 32,342 | 35,609 | 39,205 | 43,164 | 47,523 | 52,321 |
| Payments | 207,794 | 771,870 | 814,242 | 919,684 | 1,012,590 | 1,114,870 | 1,227,467 | 1,351,421 | 1,487,878 | 1,638,095 |
| Interest On Overdraft | | | | | | | | | | |
| Interest On Borrowings | | | | | | | | | | |
| Loan Repayment | | | | | | | | | | |
| Community Drawings | | 559,506 | 571,812 | 652,764 | 718,708 | 791,306 | 871,227 | 959,210 | 1,056,067 | 1,162,692 |
| Taxation | 207,794 | 212,365 | 242,429 | 266,920 | 293,882 | 323,564 | 356,240 | 392,211 | 431,811 | 475,403 |
| Net Cash Flow | 559,506 | 12,307 | 80,952 | 65,944 | 72,597 | 79,921 | 87,983 | 96,857 | 106,625 | 117,377 |
| Closing Balance | 559,506 | 571,812 | 652,764 | 718,708 | 791,306 | 871,227 | 959,210 | 1,056,067 | 1,162,692 | 1,280,069 |

Annexure 2 (b) Forestry projected income

Scenario 2

- Sutherland leased to Mondi
- Hlongwa self managed
- Silviculture contracting performed on all properties by the community (58 man contracting unit)

Projected Income Statement (Scenario 2)

| Year/ Operation | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| Timber sales | 3,818,829 | 3,106,165 | 2,078,204 | 1,630,534 | 2,595,744 | 2,488,489 | 4,415,194 | 4,653,881 | 1,931,005 | 2,495,238 |
| Contracting turnover | 1,299,873 | 548,491 | 811,713 | 708,074 | 801,012 | 688,009 | 420,816 | 710,059 | 379,755 | 2,595,323 |
| Rental & Stumpage | 863,861 | 887,803 | 1,003,155 | 1,098,963 | 1,203,956 | 1,319,016 | 1,445,113 | 1,583,308 | 1,734,768 | 1,900,768 |
| Total Income | 5,982,563 | 4,542,459 | 3,893,072 | 3,437,571 | 4,600,711 | 4,495,514 | 6,281,123 | 6,947,249 | 4,045,528 | 6,991,329 |
| Harvesting, Extraction & Transport | 76,463 | 62,814 | 32,102 | 24,912 | 39,226 | 37,195 | 111,390 | 106,575 | 27,928 | 62,363 |
| Net Income before Forestry Costs | 5,906,100 | 4,479,645 | 3,860,970 | 3,412,660 | 4,561,485 | 4,458,319 | 6,169,733 | 6,840,674 | 4,017,600 | 6,928,966 |
| Forestry Costs | | | | | | | | | | |
| Silviculture - Contracting | 1,155,442 | 487,548 | 721,522 | 629,400 | 712,010 | 611,563 | 374,059 | 631,164 | 337,560 | 2,306,954 |
| Silviculture - Self manage (out source) | (1,155,442) | (487,548) | (721,522) | (629,400) | (712,010) | (611,563) | (374,059) | (631,164) | (337,560) | (2,306,954) |
| Silviculture - Seedlings, fertilizer & herbicides | 454,355 | 513,021 | 349,867 | 252,684 | 345,642 | 361,826 | 516,528 | 654,512 | 355,314 | 326,447 |
| Management | 240,000 | 261,120 | 284,099 | 309,099 | 336,300 | 365,894 | 398,093 | 433,125 | 471,240 | 512,709 |
| Administration (incl. plantation insurance) | 264,140 | 285,842 | 307,774 | 334,858 | 364,326 | 396,387 | 458,036 | 485,149 | 476,987 | 524,766 |
| Total Forestry Costs | 958,495 | 1,059,983 | 941,740 | 896,642 | 1,046,268 | 1,124,107 | 1,372,657 | 1,572,786 | 1,303,541 | 1,363,923 |
| Profit Before Interest & Tax | 4,947,605 | 3,419,662 | 2,919,231 | 2,516,018 | 3,515,217 | 3,334,212 | 4,797,075 | 5,267,888 | 2,714,059 | 5,565,043 |
| Interest | | | | | | | | | | |
| Profit Before Tax | 4,947,605 | 3,419,662 | 2,919,231 | 2,516,018 | 3,515,217 | 3,334,212 | 4,797,075 | 5,267,888 | 2,714,059 | 5,565,043 |
| Taxation | 1,385,329 | 957,505 | 817,385 | 704,485 | 984,261 | 933,579 | 1,343,181 | 1,475,009 | 759,936 | 1,558,212 |
| Net Profit | 3,562,275 | 2,462,157 | 2,101,846 | 1,811,533 | 2,530,956 | 2,400,633 | 3,453,894 | 3,792,879 | 1,954,122 | 4,006,831 |

Projected Cash Flow (Scenario 2)

| Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------------------|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|------------------|
| Opening Balance | - | 3,730,131 | 2,578,175 | 2,200,886 | 1,896,893 | 2,650,216 | 2,513,751 | 3,616,643 | 3,971,601 | 2,046,201 |
| Receipts | 5,115,461 | 3,535,680 | 3,018,271 | 2,601,378 | 3,634,477 | 3,447,331 | 4,959,824 | 5,446,610 | 2,806,138 | 5,753,846 |
| Profit/(Loss) Before Interest & Tax | 4,947,605 | 3,419,662 | 2,919,231 | 2,516,018 | 3,515,217 | 3,334,212 | 4,797,075 | 5,267,888 | 2,714,059 | 5,565,043 |
| Grant funding | | | | | | | | | | |
| Interest received | 9% | 167,856 | 116,018 | 99,040 | 85,360 | 119,260 | 113,119 | 162,749 | 178,722 | 92,079 |
| Payments | 1,385,329 | 4,687,637 | 3,395,559 | 2,905,371 | 2,881,154 | 3,583,795 | 3,856,933 | 5,091,652 | 4,731,538 | 3,604,413 |
| Interest On Overdraft | | | | | | | | | | |
| Interest On Borrowings | | | | | | | | | | |
| Loan Repayment | | | | | | | | | | |
| Community Drawings | | 3,730,131 | 2,578,175 | 2,200,886 | 1,896,893 | 2,650,216 | 2,513,751 | 3,616,643 | 3,971,601 | 2,046,201 |
| Taxation | 1,385,329 | 957,505 | 817,385 | 704,485 | 984,261 | 933,579 | 1,343,181 | 1,475,009 | 759,936 | 1,558,212 |
| Net Cash Flow | 3,730,131 | (1,151,957) | (377,289) | (303,993) | 753,323 | (136,465) | 1,102,892 | 354,958 | (1,925,400) | 2,149,433 |
| Closing Balance | 3,730,131 | 2,578,175 | 2,200,886 | 1,896,893 | 2,650,216 | 2,513,751 | 3,616,643 | 3,971,601 | 2,046,201 | 4,195,634 |

Annexure 2 @ Forestry projected income

Scenario 3

- Sutherland leased to Mondi
- Hlongwa management contract
- Silviculture contracting performed on all properties by the community

Projected Income Statement (Scenario 3)

| Year/ Operation | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Income | | | | | | | | | | |
| Timber sales | 3,818,829 | 3,106,165 | 2,078,204 | 1,630,534 | 2,595,744 | 2,488,489 | 4,415,194 | 4,653,881 | 1,931,005 | 2,495,238 |
| Contracting turnover | 1,299,873 | 548,491 | 811,713 | 708,074 | 801,012 | 688,009 | 420,816 | 710,059 | 379,755 | 2,595,323 |
| Rental & Stumpage | 863,861 | 887,803 | 1,003,155 | 1,098,963 | 1,203,956 | 1,319,016 | 1,445,113 | 1,583,308 | 1,734,768 | 1,900,768 |
| Total Income | 5,982,563 | 4,542,459 | 3,893,072 | 3,437,571 | 4,600,711 | 4,495,514 | 6,281,123 | 6,947,249 | 4,045,528 | 6,991,329 |
| Harvesting, Extraction & Transport | 1,530,495 | 1,250,916 | 660,555 | 512,609 | 807,151 | 765,358 | 2,157,959 | 2,080,952 | 574,673 | 1,205,693 |
| Net Income before Forestry Costs | 4,452,068 | 3,291,543 | 3,232,517 | 2,924,962 | 3,793,561 | 3,730,155 | 4,123,164 | 4,866,297 | 3,470,854 | 5,785,637 |
| Forestry Costs | | | | | | | | | | |
| Silviculture - Contracting | 1,155,442 | 487,548 | 721,522 | 629,400 | 712,010 | 611,563 | 374,059 | 631,164 | 337,560 | 2,306,954 |
| Silviculture - Own trees | (1,155,442) | (487,548) | (721,522) | (629,400) | (712,010) | (611,563) | (374,059) | (631,164) | (337,560) | (2,306,954) |
| Silviculture - Seedlings, fertilizer & herbicides | 454,355 | 513,021 | 349,867 | 252,684 | 345,642 | 361,826 | 516,528 | 654,512 | 355,314 | 326,447 |
| Management | 171,300 | 188,430 | 207,273 | 228,000 | 250,800 | 275,880 | 303,468 | 333,815 | 367,197 | 403,916 |
| Administration (incl. plantation insurance) | 264,140 | 285,842 | 307,774 | 334,858 | 364,326 | 396,387 | 458,036 | 485,149 | 476,987 | 524,766 |
| Total Forestry Costs | 889,795 | 987,293 | 864,914 | 815,543 | 960,769 | 1,034,093 | 1,278,033 | 1,473,476 | 1,199,498 | 1,255,130 |
| Profit Before Interest & Tax | 3,562,272 | 2,304,250 | 2,367,603 | 2,109,419 | 2,832,792 | 2,696,062 | 2,845,131 | 3,392,821 | 2,271,357 | 4,530,507 |
| Interest | (119,282) | (77,158) | (79,279) | (70,634) | (94,856) | (90,277) | (95,269) | (113,608) | (76,056) | (151,704) |
| Profit Before Tax | 3,681,555 | 2,381,408 | 2,446,882 | 2,180,053 | 2,927,648 | 2,786,340 | 2,940,400 | 3,506,429 | 2,347,413 | 4,682,210 |
| Taxation | 1,030,835 | 666,794 | 685,127 | 610,415 | 819,741 | 780,175 | 823,312 | 981,800 | 657,276 | 1,311,019 |
| Net Profit | 2,650,719 | 1,714,614 | 1,761,755 | 1,569,638 | 2,107,906 | 2,006,165 | 2,117,088 | 2,524,629 | 1,690,137 | 3,371,191 |
| Management fee | 132,536 | 85,731 | 88,088 | 78,482 | 105,395 | 100,308 | 105,854 | 126,231 | 84,507 | 168,560 |
| Net Profit after Management Fee | 2,518,184 | 1,628,883 | 1,673,668 | 1,491,156 | 2,002,511 | 1,905,856 | 2,011,234 | 2,398,398 | 1,605,630 | 3,202,632 |

Projected Cash Flow (Scenario 3)

| Year | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Opening Balance | - | 2,650,719 | 1,714,614 | 1,761,755 | 1,569,638 | 2,107,906 | 2,006,165 | 2,117,088 | 2,524,629 | 1,690,137 |
| Receipts | 3,681,555 | 2,381,408 | 2,446,882 | 2,180,053 | 2,927,648 | 2,786,340 | 2,940,400 | 3,506,429 | 2,347,413 | 4,682,210 |
| Profit/(Loss) Before Interest & Tax | 3,562,272 | 2,304,250 | 2,367,603 | 2,109,419 | 2,832,792 | 2,696,062 | 2,845,131 | 3,392,821 | 2,271,357 | 4,530,507 |
| Grant funding | | | | | | | | | | |
| Interest received | 9% | 119,282 | 77,158 | 79,279 | 70,634 | 94,856 | 90,277 | 95,269 | 113,608 | 76,056 |
| Payments | 1,030,835 | 3,317,514 | 2,399,741 | 2,372,170 | 2,389,380 | 2,888,081 | 2,829,477 | 3,098,888 | 3,181,905 | 3,001,156 |
| Interest On Overdraft | | | | | | | | | | |
| Interest On Borrowings | | | | | | | | | | |
| Loan Repayment | | | | | | | | | | |
| Community Drawings | | 2,650,719 | 1,714,614 | 1,761,755 | 1,569,638 | 2,107,906 | 2,006,165 | 2,117,088 | 2,524,629 | 1,690,137 |
| Taxation | 1,030,835 | 666,794 | 685,127 | 610,415 | 819,741 | 780,175 | 823,312 | 981,800 | 657,276 | 1,311,019 |
| Net Cash Flow | 2,650,719 | (936,106) | 47,142 | (192,117) | 538,268 | (101,742) | 110,924 | 407,541 | (834,492) | 1,681,054 |
| Closing Balance | 2,650,719 | 1,714,614 | 1,761,755 | 1,569,638 | 2,107,906 | 2,006,165 | 2,117,088 | 2,524,629 | 1,690,137 | 3,371,191 |

Annexure 3 – Combined cash flow

| | YEAR | | | | | | | | | |
|------------------------------|-------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| SUGAR | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Income - Ushukela | 272,090 | 296,034 | 1,104,291 | 1,201,469 | 1,307,198 | 1,422,231 | 1,547,388 | 1,683,558 | 1,831,711 | 1,992,902 |
| Tonnes | 3532 | 3533 | 24000 | 24000 | 24000 | 24000 | 24000 | 24000 | 24000 | 24000 |
| Expenditure | | | | | | | | | | |
| Fencing | 925,000 | 60,000 | 71,025 | 77,275 | 84,075 | 91,474 | 99,523 | 108,281 | 117,810 | 128,177 |
| Establish | 2,600,000 | 260,000 | 307,773 | 334,858 | 364,325 | 396,386 | 431,267 | 469,219 | 510,510 | 555,435 |
| Total expenses | 3,525,000 | 320,000 | 378,798 | 412,132 | 448,400 | 487,859 | 530,791 | 577,500 | 628,320 | 683,613 |
| Gross profit (loss)/year | -3,252,910 | -23,966 | 725,493 | 789,336 | 858,798 | 934,372 | 1,016,597 | 1,106,058 | 1,203,391 | 1,309,289 |
| Income - Sutherlands | 195,904 | 213,144 | 231,900 | 252,307 | 274,510 | 298,667 | 324,950 | 353,546 | 384,658 | 418,508 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Forestry gross profit | 3,562,272 | 2,304,250 | 2,367,603 | 2,109,419 | 2,832,792 | 2,696,062 | 2,845,131 | 3,392,821 | 2,271,357 | 4,530,507 |
| AVOCADO gross prof. | - | - | -547,402 | -487,183 | 78,062 | 300,131 | 370,228 | 468,264 | 729,074 | 753,995 |
| CHARCOAL gross prof | - | - | - | -414,515 | 1,366 | 13,721 | 14,928 | 16,242 | 17,672 | 19,227 |
| Potatoes gross profit | 33,665 | 73,256 | 159,405 | 173,433 | 188,695 | 205,300 | 223,366 | 243,023 | 264,409 | 287,677 |
| VEGGIES Gr. Prof. | -22,195 | 30,252 | 54,026 | 71,837 | 103,342 | 127,682 | 168,451 | 201,322 | 254,327 | 298,071 |
| Combined gross profit | 516,737 | 2,596,936 | 2,991,026 | 2,494,635 | 4,337,566 | 4,575,936 | 4,963,653 | 5,781,275 | 5,124,886 | 7,617,272 |
| Combined cumulative | | 3,113,672 | 6,104,698 | 8,599,333 | 12,936,899 | 17,512,835 | 22,476,488 | 28,257,763 | 33,382,649 | 40,999,921 |

Annexure 4 – List of properties

| Previous owner | Land use - Hectares | | | | | | |
|-----------------|---------------------|-------|------|-------|-------|-------|--------|
| | wattle | gum | pine | sugar | other | veld | TOTAL |
| CPSA | | | | | | | 0.8 |
| ELCSA | | | | | | | 5.8 |
| MONDI | 937.5 | 320.0 | 14.8 | 113.0 | 282.8 | | 1668.0 |
| Reg. & Land aff | | | | | | 182.1 | 182.1 |
| Ushukela mill. | 197.1 | 134.1 | | 454.5 | 431.2 | | 1216.9 |
| M.A.Kader | | | | | | | 16.9 |
| W.E.Fritz | | | | | | | 19.3 |
| Totals | 1134.6 | 454.1 | 14.8 | 567.5 | 714 | 182.1 | 3109.8 |

Annexure J: Ethical Clearance Approval



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1 August 2011

Mr J Matsho (210555458)
Leadership Centre
Faculty of Management Studies
Pietermaritzburg Campus

Dear Mr Matsho

PROTOCOL REFERENCE NUMBER: HSS/0650/011M
PROJECT TITLE: Land Reform Projects as LED Contributors: KwaZulu-Natal Case Studies

In response to your application dated 26 July 2011, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully


Professor Steven Collings (Chair)
HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE

cc. Supervisor: Mr HR Salisbury
cc. Prof D Vigar-Ellis, Post-Graduate Centre, Faculty of Management Studies, PMB Campus

