



Agriculture, Forestry and Fisheries
Rural Development and
Land Reform



Operation Phakisa: Agriculture, Land Reform and Rural Development Presentation to the KZN Agriculture, Land & Rural Development Colloquium

16 – 17 November 2017

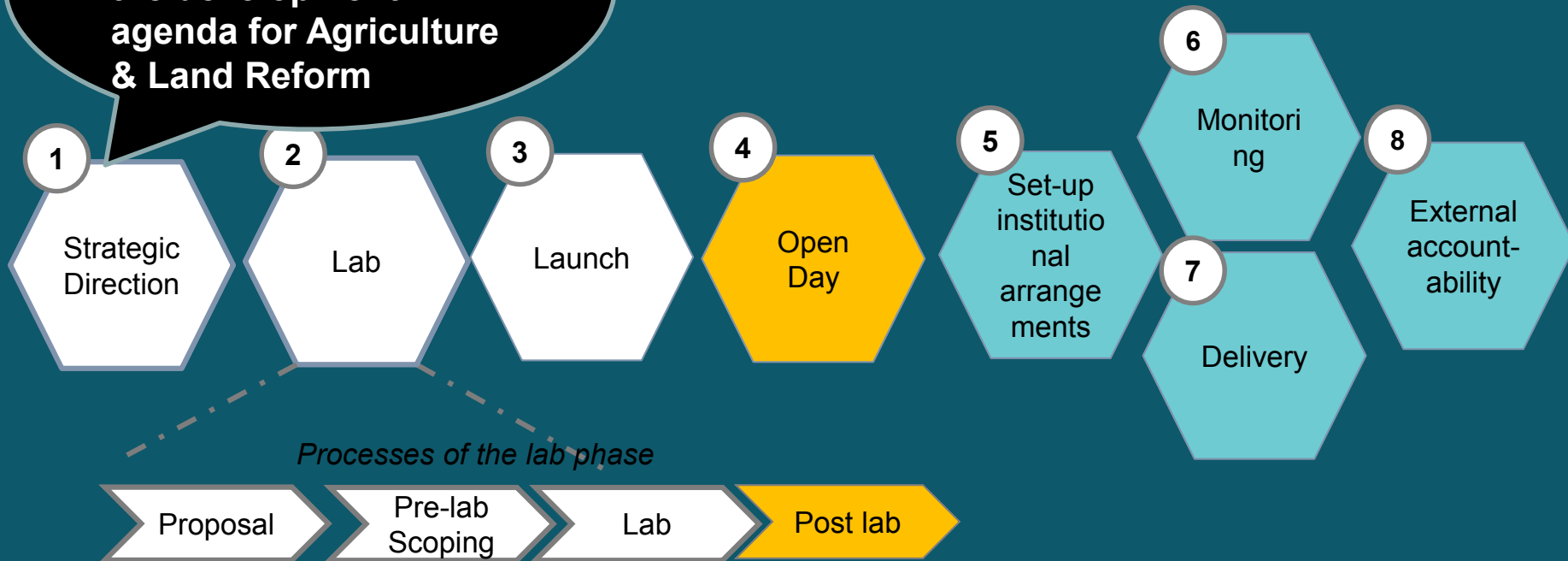
Background of Operation Phakisa

- In August 2013, President Jacob Zuma undertook a State Visit to Malaysia where he was introduced to the **Big Fast Results Methodology**.
- Through this methodology the Malaysian government achieved significant government and economic transformation within a short period of time.
- They addressed **national key priority areas such as poverty, crime and unemployment**.
- With the support of the Malaysian government, the Big Fast Results approach was **adapted** to the South African context.
- Operation Phakisa is a **results-driven approach**, involving setting clear plans and targets, **on-going monitoring of progress, and making these results public**.
- To highlight the urgency of delivery the approach was renamed to Operation Phakisa (“phakisa” meaning “hurry up” in Sesotho).

What is the Operation Phakisa Methodology?

How far are we in implementing the methodology?








NDP and 9PP (RAAVC) compels us to review the development agenda for Agriculture & Land Reform



National Development Plan Vision 2030

The strategic intent of the Lab was to deliver according to the vision of the National Development Plan (NDP), which is to contribute towards **an Inclusive Rural Economy**, as well as the 9 Point Plan, of which **the Revitalisation of the Agriculture and Agro-Processing Value Chain (RAAVC)** is one.

ACTIONS:

- 1** **Create 1 million jobs**
600 000 potential jobs in communal areas and 300 000 jobs through commercial agriculture 
- 2** **Acquire 2 million hectares**
Of strategically located land by 2019 for land reform 
- 3** **Develop 1 million hectares of under-utilised land**
In communal areas and land reform projects for production. 
- 4** **Provide support to smallholder producers**
In order to ensure production efficiencies – 80 000 new smallholders by 2019 
- 5** **Food security**
By 2030, every household is able to say “WE HAVE food on the table”. 
- 6** **Developing and implementing spatial development plans**
To guide how land is used while prioritising the 27 resource-poor district municipalities 
- 7** **Growing sustainable rural enterprises and industries** characterised by strong rural-urban linkages, increasing investment in agro-processing, trade development and access to markets and financial services – resulting in rural job creation. 

Aims of the Operation Phakisa: Agriculture, Land Reform and Rural Development

Led by the Departments of Agriculture, Fisheries and Forestry (DAFF) and Rural Development and Land Reform (DRDLR), and supported by the DPME

2 Broad objectives

- To stimulate growth, foster job creation and instil transformation along the agriculture and rural development value chain.
- To contribute towards inclusive growth, as prescribed by the NDP and the Revitalization of the Agriculture and Agro-Processing Value Chain (RAAVC), amongst others.



As enabling milestones, Specific Objectives have been identified

- 1 Devise interventions for economic growth of priority commodities
- 2 Determine markets and improve access for commercial and emerging farmers infrastructure
- 3 Address fragmented and low impact of financial and non-financial support provided to producers
- 4 Improve productivity by balancing mechanization and job creation
- 5 Stimulate development of rural economies
- 6 Reduce the environmental impact of agricultural production;
- 7 Devise improvements in water management in agriculture and rural areas



Composition of the Participants

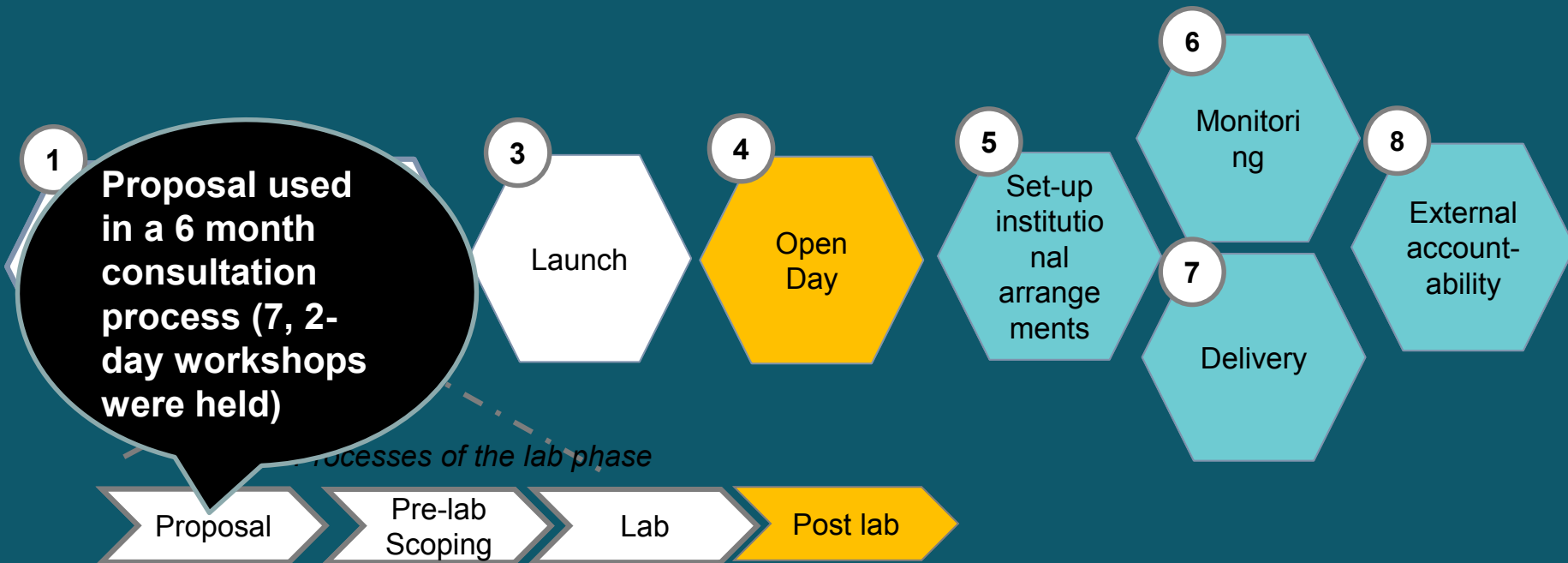
One hundred and sixty one registered participants, engaged in the five week lab

Business	Government	Civil Society

The participants were allocated to various work streams namely: Grains, Horticulture, Livestock, Producer Support, Land Reform, Rural Development and Labour; aligning their competencies and areas of expertise

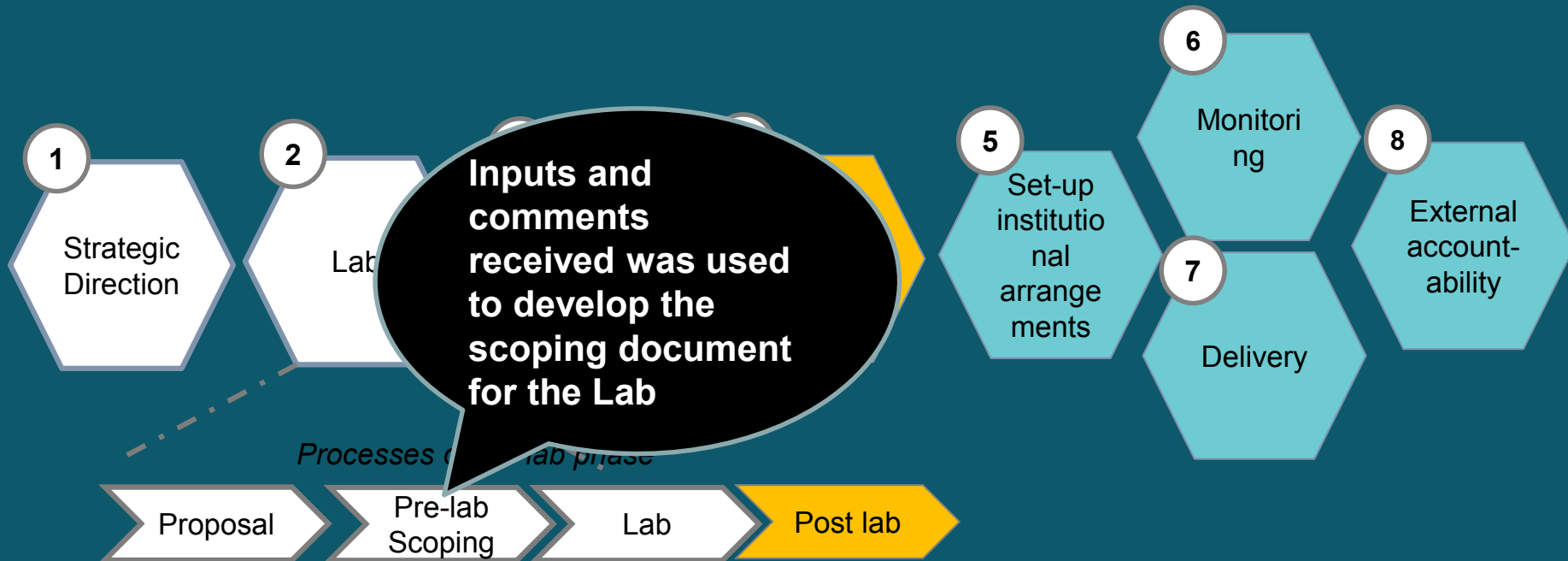
What is Operation Phakisa Methodology?

How far are we in implementing the methodology?



What is Operation Phakisa Methodology?

How far are we in implementing the methodology?



Operation Phakisa: Agriculture, Land Reform & Rural Development comprise of 3 commodity based workstreams, and 4 sectors enablers

1 Grains



5
Producer Support

2 Horticulture



6
Labour

3
Livestock



7
Rural Development

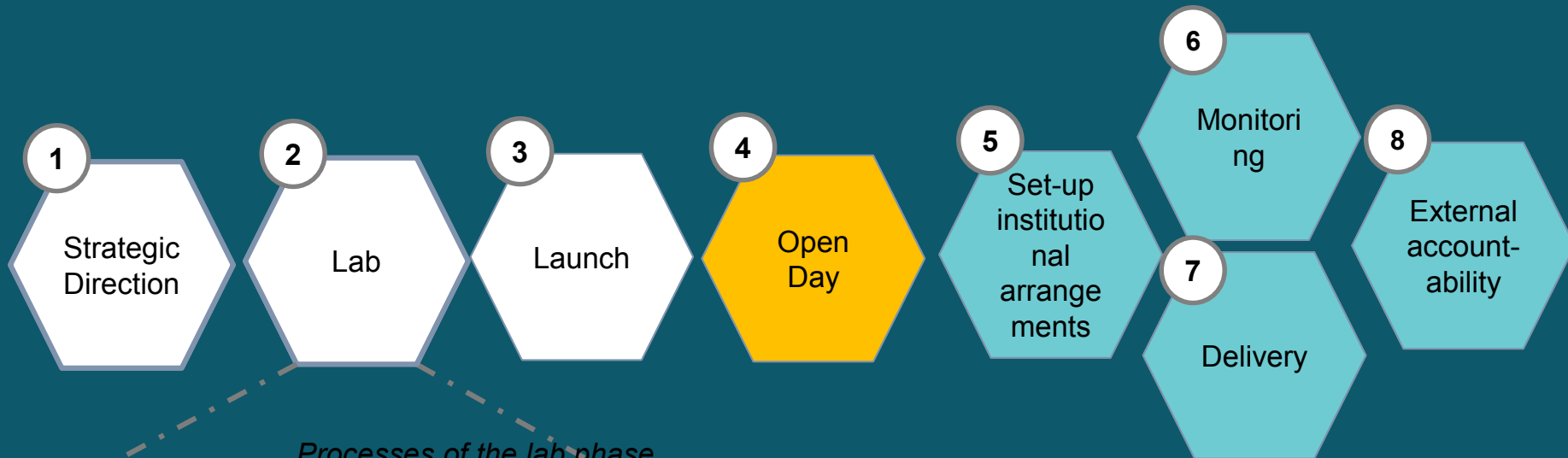
4



Land Reform

What is Operation Phakisa Methodology?

How far are we in implementing the methodology?



Processes of the lab phase



**5- week Lab ran from
26 Sept – 28 Oct 2016.
with 161 registered
participants
developing 27
initiatives**

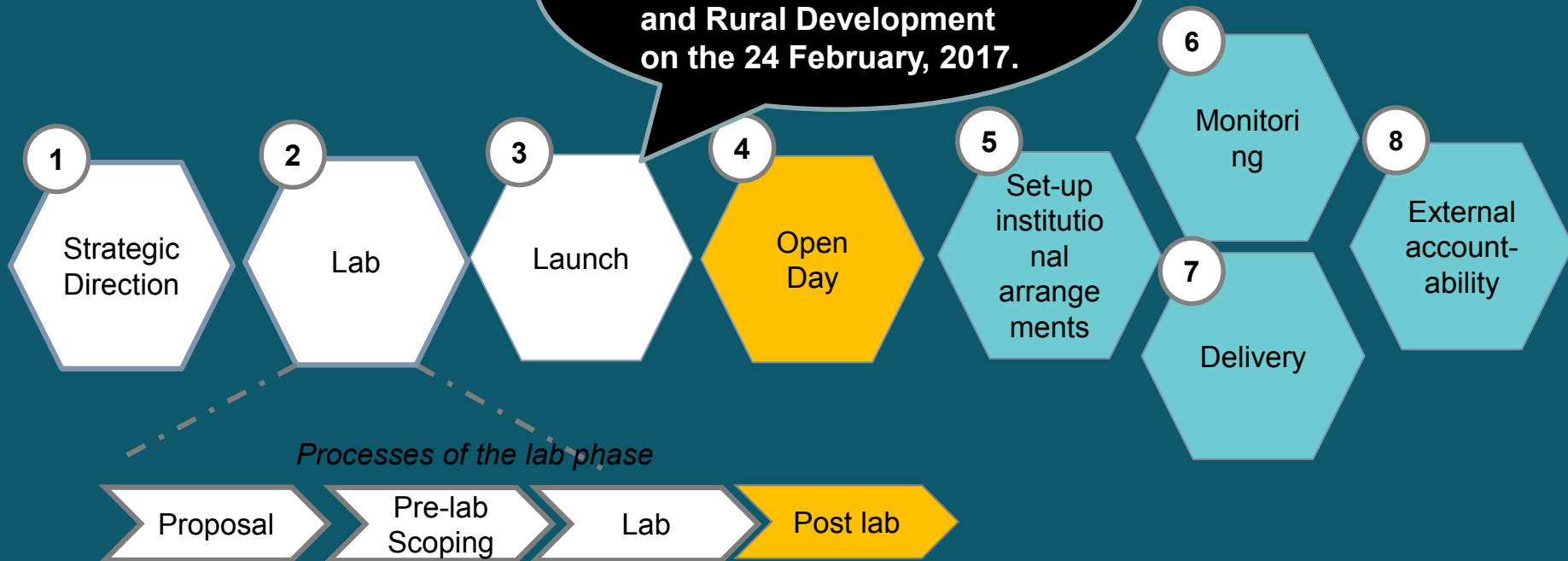
27 Operation Phakisa Initiatives

Optimising the Management of Natural Resources	Developing Skills and Capacity	Funding and Finance
<ul style="list-style-type: none"> 1. Unlocking water to expand horticultural production (Horticulture) 2. Fortified veld management for sustainable livestock production (Livestock) 	<ul style="list-style-type: none"> 3. Demand led public/ private agri-skills unit (Labour) 4. Livestock skills and knowledge upgrading programme (Livestock) 5. Enhanced animal health through revolutionary veterinary services (Livestock) 6. Ndimok Desk (Producer Support) 	<ul style="list-style-type: none"> 7. Financial partnerships for accelerated and sustainable Land Reform (Land Reform) 8. Re-engineering agricultural development finance (Producer Support) 9. Unlocking finance for grains through PPP (Grains) 10. Dynamic Business Model for Producer Support (Producer)
Value Chain Development and Market Access	Coordination and Knowledge Management	Reconfiguring Space & Promoting Functional Rural Settlement
<ul style="list-style-type: none"> 11. Access to commercial and alternative livestock value chains (Livestock) 12. Integrated grain value chain (Grain) 13. Inclusive horticulture value chain participation model (Horticulture) 14. Rural enterprise development (Rural Development) 15. Trade Promotion, Retention and Optimisation (Horticulture) 	<ul style="list-style-type: none"> 16. Harmonization of legislation affecting the agricultural value chain (Producer Support) 17. Strategic leadership & coordination for structural transformation (Rural Development) 18. District Land Reform Delivery Centre (Land Reform) 19. National Agricultural Decent Work Programme (Labour) 20. Strengthening legal compliance mechanisms (Labour) 21. National livestock census, animal ID, & traceability (Livestock) 22. Grain Know How (Grains) 	<ul style="list-style-type: none"> 23. Fast tracking the settlement of outstanding restitution claims in a sustainable manner (Land Reform) 24. Accelerated Land Development and Redistribution Initiative (ALDRI) (Land Reform) 25. Promoting and protecting rights of persons living under insecure tenure (Land Reform) 26. Basic Services (Rural Development) 27. Farm worker house and land ownership programme (Labour)

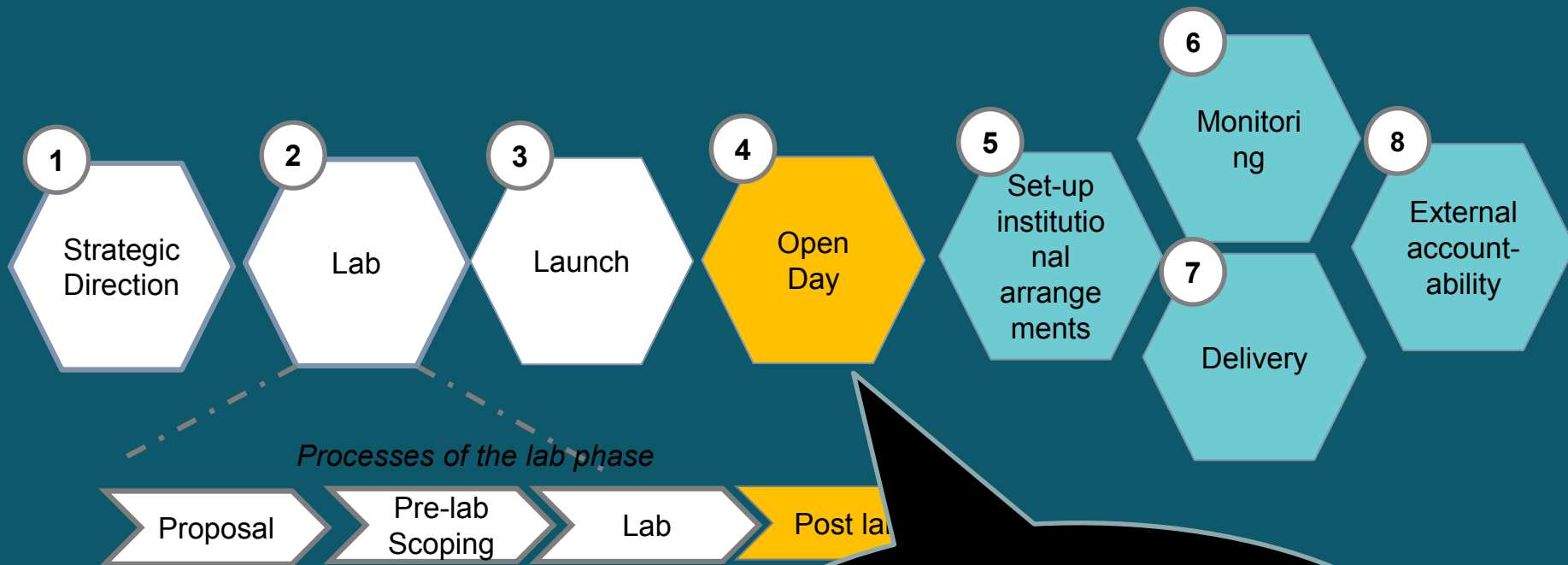
What is Operation Phakisa Methodology?

How far are we in implementation?

The President launched Operation Phakisa for Agriculture, Land Reform and Rural Development on the 24 February, 2017.



How far are we in implementing the methodology?



- **Appointed Champions per initiative (finalised)**
- **Cabinet submission of Lab report (Oct. - Nov)**
- **Open Day (Presidency).**

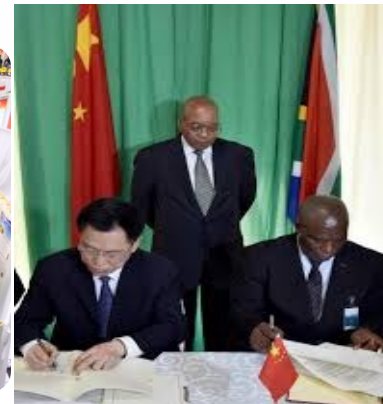
The Open Day is a vital step to achieving mass alignment and buy-in for lab outcomes

What is an Open Day?

- An Open Day is typically 2-3 days of showing and sharing with the public the recommendations from the lab reports. However, due to financial constraints, Operation Phakisa for Agriculture, Land Reform and Rural Development will be a one-day event.
- It is an interactive session where Lab participants can interact with the public sector and provide feedback.
- It's also a proven methodology to secure mass alignment and buy-in. It is thus highly interactive and transparent.

Open Day concept for Operation Phakisa: Agriculture, Land Reform and Rural Development

- One-day event with 2 sessions:
 - **OPEN & CLOSED SESSION**
 - It will be an interactive session where the public can interact with presenters at various stations (a minimum of 7) followed by a closed session.
 - The Closed Session will be by invitation only, and will target 200 guests along with a media contingency. The Open Day will remain the prerogative of the Presidency.



PHASE 1: securing buy-in and commitment from role players

PHASE 1

Target timeframes:
April – August
2017

1.1 Internal and external syndication meetings with stakeholders; presenting the outcomes and initiatives of the Lab , their models/ frameworks and draft plans in full detail.

Progress: 19 April - Producer Support; 3 May – Livestock; 5 May – Rural Development ; 8 May - Horticulture; 9 May – Labour; 15 May – Grains; 04 Aug – Land Reform.

1.2 Champions appointed per initiative to review the final draft report. This was done in collaboration with work stream reps and content leaders per work stream.

Progress: Completed June 2017

1.3 Mini-Lab (series of workshops) to refine implementation plans of one of the Land Reform initiatives, namely *Fast tracking the settlement of outstanding restitution claims in a sustainable manner*. **Completed in July 2017.**

1.4 Champions to refine, align and translate 3-feet plans into a **project implementation plans stipulating** roles and responsibilities, clearly spelt out budgets, and schedule of activities etc.

Progress: 30 August, Special Cluster Syndication Workshops were held on 24-25 August and 20-21 September by DRDLR nad DAFF respectively

1.5 Report back sessions to Portfolio Committee, Study group, CEO Steering Committee, and others including industry organisations.

Progress: reporting dates May – October, 2017

PHASE 2: Signing of agreements (SLAs, MOUs, contracts)

PHASE 2 (Confirming agreement towards Open Day)

2.1 All role players to come to some agreement on terms, budgets, funding arrangements, project schedule etc.

Project Implementation Plans must be captured in a preliminary signed agreement (format of agreement must be agreed upon).

Progress: Budgeted project implementation plans are being developed by both DRDLR and DAFF including Provincial Departments of Agriculture.

2.2 Submit implementation project plans to DPME for quality assurance, prepare a cabinet memo for submission.

Progress: This milestone is based on 2.1 above . End November 2017

2.3 Open Day – date determined by the Presidency. Submission made in October

PHASE 3: Establishing institutional arrangements

PHASE 3
(Nov
2017)

3.1 Establishing the Directors General Steering Committee, by presenting the 1st draft of all Implementation Plans.

DUE: after Open Day

3.2 Establishing the Ministerial Steering Committee, by presenting the 1st draft of all the Implementation Plans.

DUE: after Open Day

3.3 Establishing the National Premiers, MECs, and Mayors, District Managers Forum, through presenting relevant Implementation Plans and proposed way forward.

DUE: after Open Day

Progress on 27 Operation Phakisa Initiatives

Optimising the Management of Natural Resources

1. Unlocking water to expand horticultural production (Horticulture)

- The initiative seeks to establish a War Room within Presidency for improving the management and access to water through irrigation schemes.

Areas where work is currently underway:

- A proposal was presented to the ESEID DG cluster, which requested that more detail be presented on the terms of reference for the War room.
- A meeting with role players were subsequently hosted through the DPME, and DAFF will return to ESEID, with Terms of Reference stipulating roles and responsibilities and proposed delegated authority. This will be done after the Operation Phakisa report is approved by cabinet.

Budget Plan

- Pooling of all irrigation funds between **DAFF, DRDLR, DEA and DWS**, towards the integrated plan for irrigation, with 10% of the total allocation for the establishment of the “Presidential War Room”.

Output for Open Day

- Signed MOU between DAFF, DRDLR, DEA and DWS on the T.O.R of “Water War Room”.

Progress on 27 Operation Phakisa Initiatives

Funding and Finance

Financial partnerships for accelerated and sustainable Land Reform (Land Reform)

- This initiative seeks to a) to mobilise private sector to **complement** public funding sources to finance the land reform programmes of restitution, redistribution and tenure; b) to develop public-private sector funding models and financial instruments to provide for the acquisition and development of land on a medium to long-term mortgage and CPI-indexed linked annuity basis, and; c) to foster a new and redefined win-win partnership between previous land owners and land reform beneficiaries that promotes continued production, increased employment, and social cohesion.

Areas where work is currently underway:

- BASA has been engaged, and indicated willingness. Land Bank, NEF, IDC have MOU's and SLA's that are to be signed.
- Producer Support packages are to be developed to go hand in hand with the financial solutions.

Budget Plan

- The Initiative will be financed through the existing DRDRL baseline budget.

Output for Open Day

- Signed MOUs with Land Bank, NEF & IDC.

Progress on 27 Operation Phakisa Initiatives

Funding and Finance

Re-engineering agricultural development finance (Producer Support)

The development of blended financial instruments from public and private funds, administered centrally, in order to improve access and affordability of finance and lessen the current reliance on grants.

Areas where work is currently underway:

- Draft policy on Comprehensive Producer Development Support (CPDS) forms the policy framework for the initiative.
- A more comprehensive concept document was finalised and forms the basis of engagements with the key role players such as the LandBank.
- Discussion with the LandBank is almost complete, with an MOU to be signed.
- A pilot with a MOA between the Eastern Cape Department of Agriculture, the Land Bank and DAFF, is underway where the Land Bank provides the loan and bridging finance to the farming operation and the department provides additional financial support with the grants (Operation Phakisa initiative).
- Establish provincial delivery structures.
- Syndicate with DRDLR to assess possible areas of alignment with District AgriParks Management Council.
- Producer Support packages must go hand in hand with the financial model.

Budget Plan

- The Re-engineering of Development Finance is fully financed through CASP.

Output for Open Day

- Signed MOUs with Land Bank, and Provincial Departments of Agriculture – pilot with Eastern Cape.

Progress on 27 Operation Phakisa Initiatives

Value Chain Development and Market Access

Rural Enterprise Development (Rural Development)

Develop rural enterprises and create non-farm employment within identified economic clusters for job creation and increasing household income.

Areas where work is currently underway:

- DSBD has been engaged, and indicated willingness to work with the DRDLR and DAFF on building Agricultural and Non-Agricultural Enterprises.
- The DRDLR is currently undertaking a re-engineering process where the focus of projects implemented will target value adding enterprise projects rather than primary production.
- Agri-Parks enterprises will form a corner stone for future project identification and funding.

Budget Plan

The Initiative will be funded from existing DRDLR baseline budget.

Output for Open Day

Still to be determined.

Progress on 27 Operation Phakisa Initiatives

Coordination and Knowledge Management

Strategic leadership & coordination for structural transformation (Rural Development).

Strategic leadership and coordination of Rural Development Plans aimed at rural development for structural transformation. This will be achieved through:

- vertical and horizontal strengthened coordination of planning, implementation, reporting, monitoring and evaluation of programmes across all spheres of government
- regular convening of all stakeholder representatives in structured information sharing, joint analysis and planning processes that ensures monitoring and accountability

Areas where work is currently underway:

- The Draft RDA policy has been completed and will be submitted.
- The draft Bill on the National Rural Development Agency will be ready in December 2017.
- Draft Cabinet Memo for the establishment of the Presidential Rural Development Coordinating Council (PRDCC), this council will lead to the establishment of the Rural Development Agency and subsequently will take over the functions of the PRDCC.

Budget Plan

- Funded from DRDLR budget; no additional funding required.

Output for Open Day

- President to pronounce on progress on the Rural Development Bill and Rural Development Agency.

Progress on 27 Operation Phakisa Initiatives

Coordination and Knowledge Management

District Land Reform Delivery Centre (Land Reform)

The District Land Reform Delivery Centre (DLRDC) is a local level implementing agent that seeks to ensure that land reform initiatives are designed and implemented in accordance with the specific needs of local beneficiaries as outlined by the land reform sector plan in a district.

Areas where work is currently underway:

- District Joint Operational Centers (DJOCS) have been established in all 44 Districts. The membership of the committees are:
 - District Municipalities;
 - Local Municipalities;
 - Councils of Stakeholders (COS);
 - Land Rights Management Councils (LRMCs);
 - District Land Reform Committees (DLRCs);
 - District Agri-Parks Management Councils (DAMCs);
- 1. Appointment of District Managers in 38 Districts.
- 2. Institutionalisation of the DLRC, DAMCs and LRMCs.

Budget Plan

- Funded from current DRDLR budget.

Output for Open Day

- To be determined.

Progress on 27 Operation Phakisa Initiatives

Reconfiguring Space & Promoting Functional Rural Settlement

Fast tracking the settlement of outstanding restitution claims in a sustainable manner (Land Reform)

1. Conduct and finalise all outstanding research (916) by 31 December 2017
2. Conduct and finalise outstanding Verification in the next 48 months (since the lab)
3. Settle and Finalise all outstanding claims (6558) in the next 48 months (since the lab)
4. Re-designed restitution business process to support upfront project packaging to ensure sustainability.

Areas where work is currently underway:

As of 30 September 2017, 269 from 916 target research reports has been approved. Acceleration plan implemented by the Commission on Restitution of Land Rights is currently being implemented.

- Claimant Verification of community claimants for Limpopo, Mpumalanga and KZN outsourced.
- R100 million is required to execute this activity.
- As of 30 June 2017, 6558 claims were outstanding of which 1820 are in Phase two : screening phase, 115 Phase 3: determination of qualification and 4623 Phase 4: negotiations. 2152 claims will be settled and finalize in the next 24 months.
- The drafting of a Hybrid Settlement Options policy is at its advanced stage.
- This activity to finalize all claims (Transfer of land / Payment of financial Compensation) will require R30 Billion. This is ongoing.
- Commission's business process reviewed as part of the Restitution mini Lab. A preferred Commission Operating model has been identified. Project Charter has been developed between CRLR and GTAC.

Progress on 27 Operation Phakisa Initiatives

Reconfiguring Space & Promoting Functional Rural Settlement

Fast tracking the settlement of outstanding restitution claims in a sustainable manner (Land Reform)

Budget Plan

- Funded from existing budget but additional funding is required to speed up the delivery.

Output for Open Day

- Presentation of Mini-Lab information.

Progress on 27 Operation Phakisa Initiatives

Reconfiguring Space & Promoting Functional Rural Settlement

Note: The Initiatives 25 and 27 merged as these initiatives all support farm dweller support

Promoting and protecting rights of persons living under insecure tenure (Land Reform)

- Syndication done with other initiatives namely: ALDRI, Labour Farm worker house and land ownership programme, Basic Services and Funding and finance; this is currently done with various departments and private sector, a model of smart Agri villages is being finalised.

Farm worker house and land ownership programme (Labour)

- Syndication done with other initiatives namely: ALDRI, Basic Services and Funding and Finance; this is currently done with various departments and private sector, a model of smart Agri villages is being finalised.

Areas where work is currently underway:

- DBSA's cost estimate for the five years is R14 billion (DBSA was a participant at the Operation Phakisa lab on Agriculture, Land Reform and Rural Development).
- Refinement of the model, and identification of a suitable pilot site that integrate resources of all three spheres of government.
- Obtaining buy-in from key stakeholders and the Private sector.

Progress on 27 Operation Phakisa Initiatives

Reconfiguring Space & Promoting Functional Rural Settlement

Note: The Initiatives 25 and 27 merged as these initiatives all support farm dweller support

Budget Plan

- DRDLR internal budgets to be utilised to develop an integrated Land, Labour and Housing solution.

Output for Open Day

- Showcase the ALDRI programme as an integrated housing, labour, tenure and farming solution in an peri-urban areas.
- MOU signed for the pilot with a Municipality, Salga, CoGTA, DRDLR nad DAFF.

WAY FORWARD

- Finalisation of the institutional arrangements for the implementation, coordination and oversight of this Operation Phakisa lab.
- Finalisation of Implementation Plans for submission to DPME.

ABBREVIATIONS

- **9PP:** Nine Point Plan;
- **ALDRI:** Accelerated Land Development and Redistribution Initiative
- **AFMA:** Animal Feed Manufacturers Association
- **Afgri:**
- **AgBiz Grain:** Agricultural Business Chamber
- **ARC:** Agricultural Research Council
- **AIMS:** Agricultural Information Management System
- **CEO Forum:** Chief Executive Officer Forum of Agriculture
- **CASP:** Comprehensive Agriculture Support Programme
- **CCMA:** Commission for Conciliation, Mediation and Arbitration
- **CGA:** Citrus Growers Association
- **CGA-GDC:** CGA Grower Development Company
- **CoGTA:** Cooperative Governance and Traditional Affairs
- **COS:** Councils of Stakeholders
- **CPDS:** Comprehensive Producer Development Support
- **DAFF:** Departments of Agriculture, Fisheries and Forestry;
- **DAMCs:** District Agri-Parks Management Councils
- **DEA:** Department of Environmental Affairs
- **DFDC:** Deciduous Fruit Development Chamber
- **DJOCS:** District Joint Operational Centers
- **DLRDC:** District Land Reform Delivery Centre
- **DLRCs:** District Land Reform Committees
- **DoL:** Department of Labour
- **DST:** Department of Science and Technology
- **DPME:** Department of Planning, Monitoring and Evaluation;
- **DRDLR:** Rural Development and Land Reform
- **DSBD:** Department of Small Business Development
- **DWS:** Department of Water and Sanitation

ABBREVIATIONS

- **DTel:** Department of Telecommunications
- **DoT :** Department of Transport
- **ESEID:** Economic Sector Employment and Infrastructure Development
- **FPSU:** Farmer Production Support Units
- **GRAINSA:** Grain South Africa
- **GFADA:** Grain Farmer Development Association
- **HORTGRO:** Horticultural Growers
- **IDC:** Industrial Development Corporation
- **LRMS:** Land Rights Management Councils
- **LITS:** Livestock Identification and Traceability System
- **MOU:** Memorandum of Understanding
- **NDP:** National Development Plan
- **NEF:** National Employment Fund
- **NERPO:** National Emergent Red Meat Producers' Organisation
- **PDAs:** Provincial Departments of Agriculture
- **PRDCC:** Presidential Rural Development Coordinating Council
- **Potato SA:** Potato South Africa
- **RAAVC:** Revitalisation of the Agriculture and the Agro-Processing Value Chain
- **SACOTA:** South African Cereals and Oil Seeds Traders Association
- **SALGA:** South African Local Government Association
- **SAPPO:** South African Pork Producers' Organisation
- **SAFEX:** South African Futures Exchange
- **SASA:** South African Sugar Association
- **SASSA:** South Africa Social Security Agency
- **SOEs:** State Owned Enterprises
- **T.O.R:** Terms of reference