



**MINISTRY
RURAL DEVELOPMENT AND LAND REFORM
REPUBLIC OF SOUTH AFRICA**

**SPEECH BY THE DEPUTY MINISTER FOR RURAL DEVELOPMENT
AND LAND REFORM, HONOURABLE K C MASHEGO-DLAMINI**

**SIGNING OF THE SETTLEMENT AGREEMENT CEREMONY FOR THE
MKHUZANE AND NODUNGA COMMUNITIES, IN RESPECT OF FORESTRY
LAND PREVIOUSLY OWNED BY MONDI (PTY) LTD**

The MEC for Agriculture and Rural Development, MEC Cyril Xaba

The Executive Mayor for the Richmond Local Municipality, Mr A Ragavalo

Representatives from Mondi (Pty) Ltd,

Representatives from the Forest Sector Charter Council,

Representatives from the Department of Agriculture, Forestry and Fisheries,

The Chairperson of the Nodunga Communal Property Association,

The Chairperson of the Mkhuzane Communal Property Association

Members of the Nodunga Community

Members of the Mkhuzane Community

Ladies and Gentlemen

It gives me great pleasure to be part of this ceremony which marks a significant milestone in the settlement of the land claims lodged by the Mkhuzane and the Nodunga communities on properties previously owned by Mondi (Pty) Ltd.

This is the kind of development that we envisaged when the democratic government introduced the land restitution programme in 1994. It is also in line with our proclamation in the Freedom Charter, that South Africa belongs to all those who live in it, that all South Africa's children must benefit from the resources of the land.

It is common cause that as we mark the 60th anniversary of the Freedom Charter, there is a need to accelerate the pace of the process of redress for those who fell victim of the apartheid's racially biased land dispensation. It cannot be business as usual, and as Government we are looking at big business to play a meaningful role in the improvement of the lives of the majority of the citizens, particularly those living in the rural areas where there are high levels of unemployment. We expect all hands on deck from all sectors of our society, in support of the National Development Plan's vision for the reduction of economic inequality, and rural economic transformation.

I would like to commend Mondi (Pty) Ltd for taking the journey with the Department of Rural Development and Land Reform in the quest for reformation of the land ownership patterns through among others, the Restitution of Land Rights programme. We cannot over emphasise that for land reform to succeed in this country, all must come to the party.

Working together with Mondi, we have come up with a model to settle claims on forestry land, which involves the transfer of land ownership to the claimants with Mondi leasing the land for two rotations, subject to renewal thereafter. The affected communities receive rental upfront annually to use for their own further development. As part of the agreement, Mondi assists the beneficiary communities to set up forestry contracting businesses, and provide bursaries to the youth from these communities.

The Settlement Agreements that are being signed today form part of the settlement of land claims lodged by the Mkhuzane community in respect of land in the Richmond area (UMgungudlovu District Municipality); and the Nodunga community in respect of land in the Stanger area (Illembe- District Municipality).

The state has purchased 1781.3950 hectares (ha) of land at a cost of R26.9m for the Mkhuzane community and 685.5305 ha at a cost of R7.4m for the Nodunga community as part of the settlement of the two claims.

The Agreements include the signing of lease agreements between Mondi (Pty) Ltd and each one of the two communities, for the purpose of commercial forestry, which will run for an initial period of 10 years subject to further renewal thereafter. As part of the initial lease agreement, Mondi (Pty) Ltd will assist each of the two communities to set up forestry contracting businesses, thus enabling them to acquire the necessary skills to benefit from business opportunities on the land.

During the first year of lease, a rental fee of 7% of R1.6m will be paid to the Mkhuzane community, and for the Nodunga community the amount will be R507 000.00.

A total of 247 households including 880 beneficiaries from the Mkhuzane community, and 376 households including 2256 beneficiaries from the Nodunga community, will benefit from the agreements signed with Mondi.

As part of the way forward on the Settlement Agreements, The Department of Rural Development and Land Reform and Mondi will draw up terms of reference for capacity building of the community. Service providers will be identified to provide training and capacity building for the communities, in order to be able to manage the lease, resolve disputes and manage the land. The Department will work together with the community to come up with a business plan which will detail projects in line with the development

aspirations of the communities and identified opportunities. The business plan will then be submitted to the different arms of Government and other entities for funding.

The Department is committed to work together with all the parties involved to ensure that development on the land is carried out in line with the Rural Economy Transformation Model (RETM) where land holding is separated from the farming business that takes place on the surface of the land. Mondi will create enterprise development opportunities for the community, which include setting up businesses which will undertake some of the activities that Mondi will outsource.

In line with the RETM, the directorship in these businesses cannot be composed of the same persons as those who serve as members of the Executive of the CPA or Trustees. This is to ensure that accountability is not compromised, as one cannot have Trustees or Executive Committee Members accounting to themselves. Also, the skills and expertise that you require to run a farming business are different from the qualifying criteria that are required for a person to be a claimant.

Ladies and gentlemen, please join me with a clap of hands as we congratulate the two communities on this significant chapter that they are entering into, on the road to not only restoration of their land rights, but economic emancipation as well.

Congratulations,

I thank you all.