



**A Public Private Partnership to develop Agri-villages
in the
Mkhondo (Piet Retief) Municipality**
with specific reference to
(Jabulani Agri-village pilot)

Presented
to the
Rural Development Conference 2011
by
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Presentation Structure



- **Introduction**
 - Mkhondo area
 - Mondi in Mkhondo
 - Residents on Mondi land
 - The development approach

- **The Jabulani pilot agri-village**

- **Institutional arrangements**

- **Progress to date**

- **Challenges**

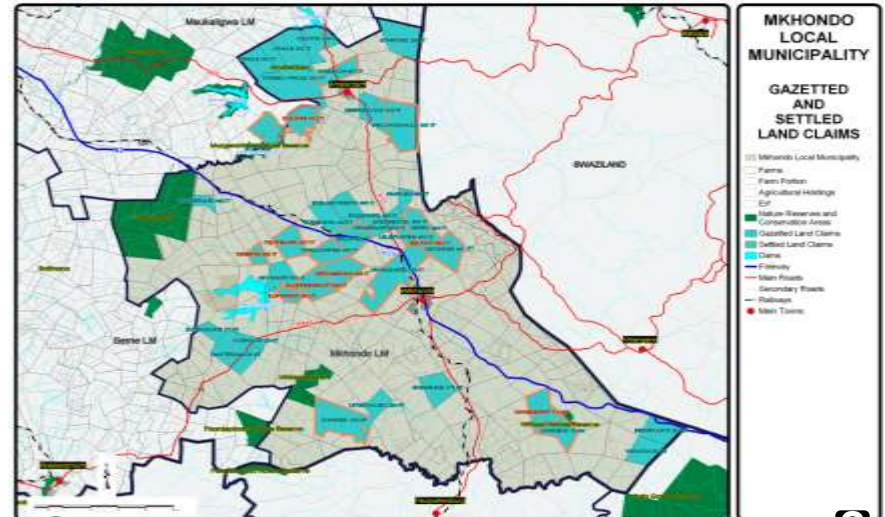
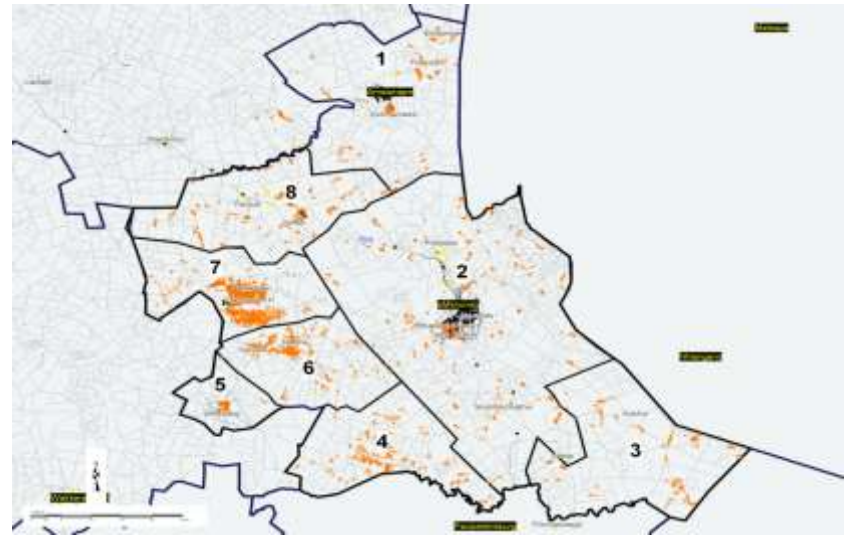
- **Lessons learnt**



Mondi in Mkhondo



- Mondi owns and leases **77 800** ha in Mkhondo (600 000 tons of fiber pa to Richards bay mill)
- Approx. **10 000** people (2739 hh) live in **61** villages on Mondi land
- 90 % have no employment relationship (past or present) with Mondi or Mondi contractors
- Living conditions similar to rest of rural Mkhondo but a big concern for Mondi.





Residents on Mondi land



Asset poverty

- No title to land and house
- 21% own cattle

Income poverty

- Average household income - R 1 074 per month (2007)
- Wage and salary earners constitute 37% of populace and bring 60% of the total income.
 - Mondi contractor employment 14,7%
 - other forestry at 7,3%
 - private farmers at 6,8%
- State grants make up 40% of village income.

Housing

- Materials – only 10% brick/block and mortar
- Condition- 65% walls and roof weak or very weak





Residents on Mondi land



Service delivery deficits

- Water- 85% do not have tap on site
- Electricity- 94% do not have electricity connection
- Sanitation- 64% use the surrounding bush

Use of the land

- Cultivation -13% of populace cultivate the land
- Cattle – 21% of households own cattle
- Forest by products – mainly fuel and building materials





Foundations of Strategic approach



- Mondi board unhappiness with conditions in villages on Mondi land
- 2007 Board mandate to do something about this
- Recognition that these residents have accumulated rights to the land
- Starting points recognised that success will require:
 - ✓ A Private Public Partnership between Mondi, government (national, provincial and local), and communities
 - ✓ Need for alignment with government policies and programmes
 - ✓ Resource commitments from all the parties
 - ✓ Residents must be provided with choice



The Partnership



- In 2009 Mkhondo selected as a CRDP node for Mpumalanga.
- Mid 2009 partnership between Mondi and provincial government regarding the CRDP starts being built.
- MoU between Province, District, Mkhondo and Mondi signed on 30th October 2009.
 - **Mondi: Corporate social responsibility**
 - **Govt: Constitutional mandate**





The solution developed



Basic elements of the strategy:

- 1. Rural Residential Option** – Agri- villages targeting households wishing to pursue forestry and agricultural livelihoods:
 - “In Situ” option where existing settlements are well located
 - New greenfield agri-villages at locations rich in opportunities
- 2. Urban Option** – Targeting households wishing to reside in town – (Including those engaged in forestry related activities)- three inclusionary housing projects at:
 - Piet Retief (Forestview/ Nkonjaneni phase 3)
 - Amsterdam
 - Iswepe
- 3. Remainee option** - Those who don't want any change.



Agri-village: The concept



- **The Land Tenure Security draft bill refers to creation of Agri-villages**
- **Our working definition is** *“Sustainable rural settlements whose residents enjoy agriculturally based livelihoods through a multiplicity of individual and communal incomes derived from the agricultural environment”*
- **Secure tenure, services, food security, incomes and collective governance**
- **In our case it is also a developmental outcome to the affirmation of people’s rights to land**
- **Striking a balance between the green and brown developmental agenda to promote sustainability**



Sustainable rural settlements (Agri-villages)



Policy alignment

1. CRDP
 2. War on Poverty
 3. Land Tenure Security draft bill, chapters relating to :
 - Agrivillages
 - Cattle ownership rights
- **Mondi contribution**
 - Land
 - Technical capacity
 - Subsidy top up (R10 000 per HH)
 - **Govt contribution**
 - Public budgets

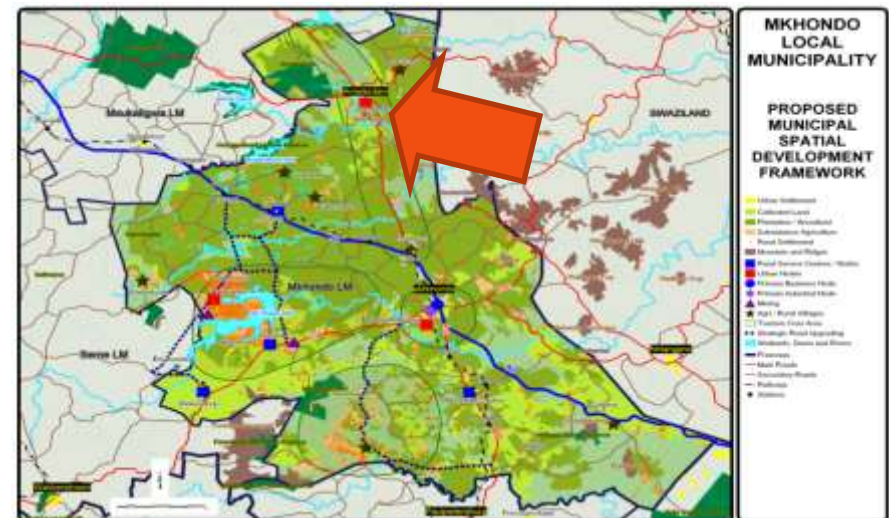
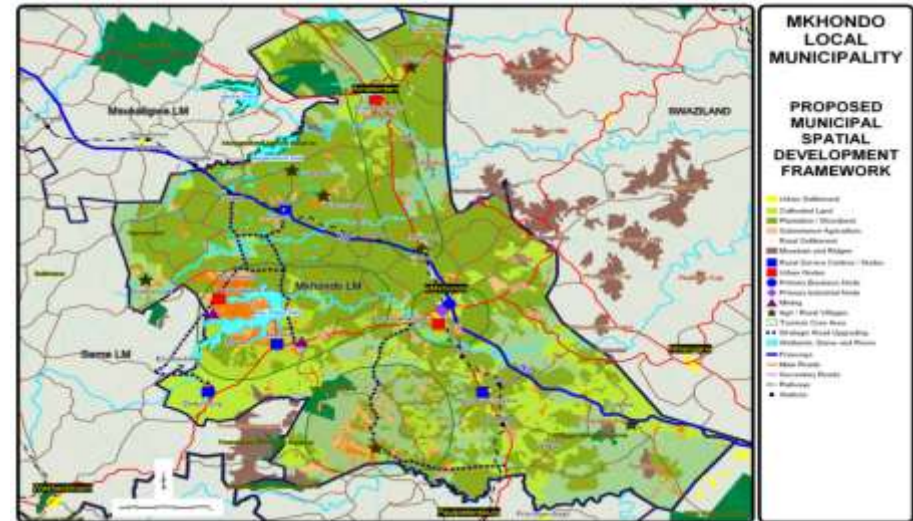
Access to land	Sustainable rural livelihoods	Infrastructure development
Expand agrarian reform	Poverty eradication	Access to basic amenities (schools, clinics, clean and safe water, sanitation, grinding mill)
Increased production	Health	Rural electrification
Support to farm dwellers	Basic education	Water resources management
Agro-processing	Education and skills development	Access to housing
Access to markets	Create decent jobs	Cooperative governance
Small farmer development	Partnerships	Promote cooperatives
Fencing and irrigation systems		Rural finance



Sustainable rural settlements



- 2008 and 2009 assessment of development suitability of all 61 settlements on Mondi land
- Criteria included- location, access to education, water , land suitability, crop potential, cattle grazing potential, economic opportunities etc.
- Results - not all have long term development potential.
- 5 villages selected with Jabulani identified as a pilot.





Jabulani Pilot Agri-village



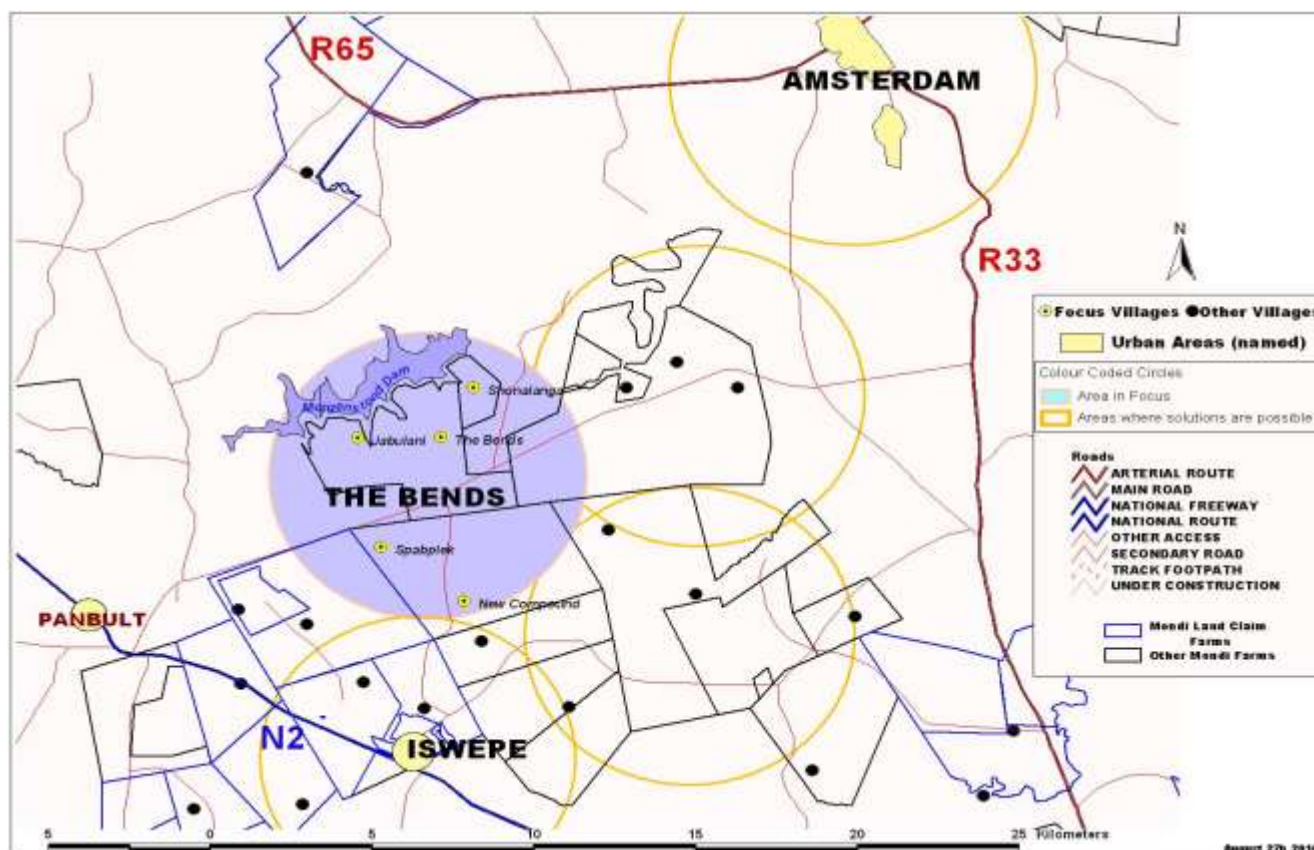


Jabulani



Target catchment:

Jabulani, The Bends, Shonalanga, Spabplek, New Compound.





The site- 598ha





Jabulani Settlement





Jabulani Pilot Project



Planning - started in Nov 2009



PRA identified community needs

1. Technical studies and plan formulation
2. Enumeration and qualification



6 X community planning workshops





Jabulani Pilot Project



Basic development concept :

1. Ownership of residences, food production plots and shelter
2. Generating household food security
3. Enhanced social service access
4. Incomes
 - **Forestry wages**
 - **Forestry**
 - **Livestock**
 - **Tourism**
 - **Small enterprises**
5. Social development



Jabulani Pilot Project



Physical components

1. Residential and food plots
2. Social infrastructure
3. Waterfront tourism development
4. Forestry
5. Grazing livestock



Jabulani





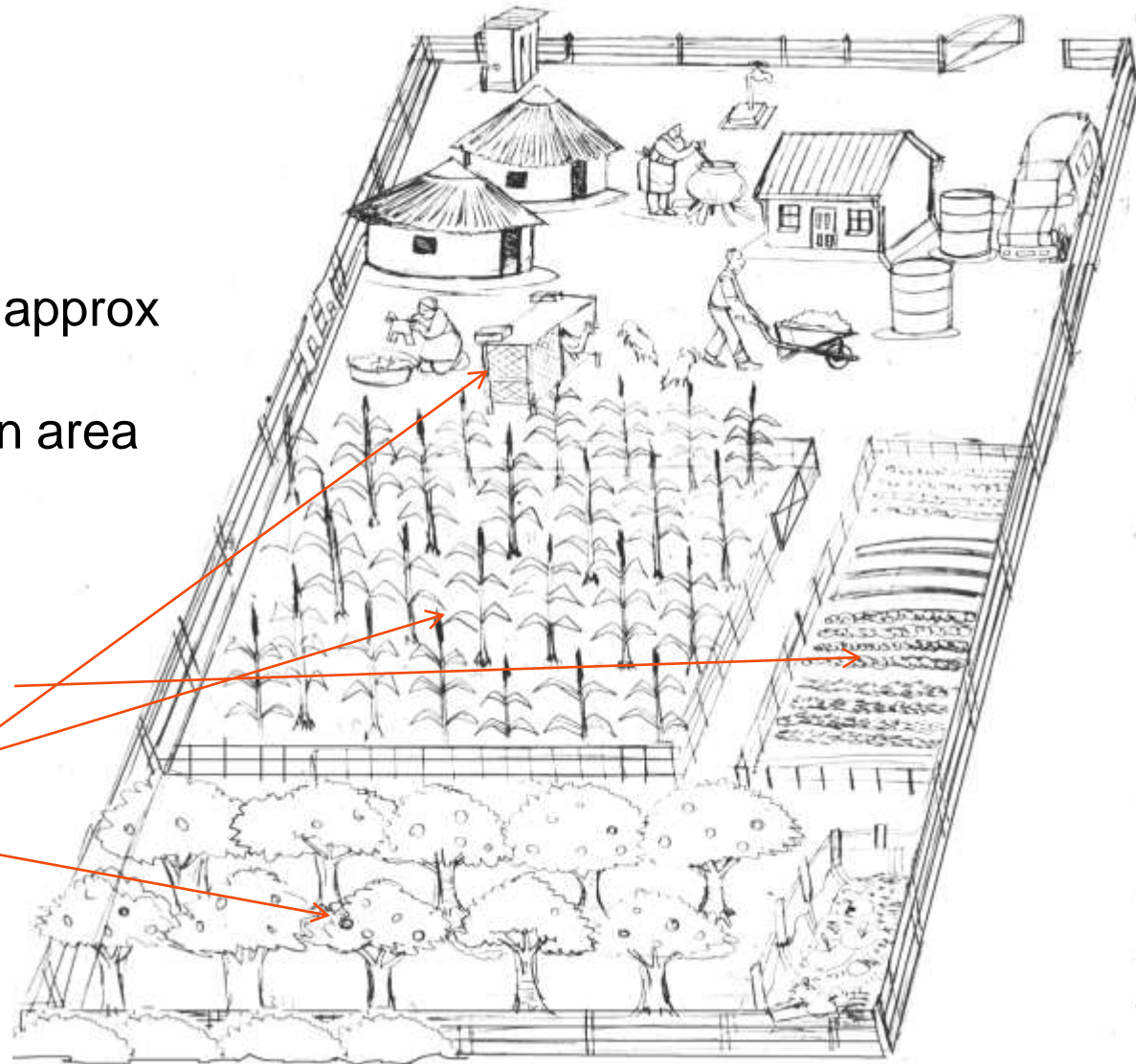
Jabulani Pilot Project



Homestead plots

- Plot 2 500m²
- Freehold ownership
- Residential component approx 500m²
- 2000 m² food production area

1. Homestead food garden
2. Dryland cropping area
3. Fruit tree area
4. Small livestock

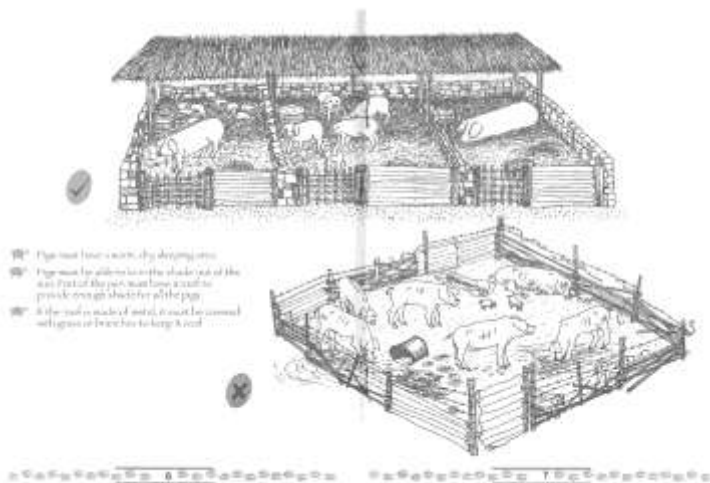




Jabulani Pilot Project



- 250m² (10m x 25m) vegetable garden + irrigation water
- A tap will be placed nearby with water coming from the farm dam
- A Bonnox type fence and gate will surround the vegetable garden
- Basic toolkit supplied to deal with repairs to irrigation tap





Jabulani Pilot Project



Housing

- 3 basic types to be offered
- Mondi top up- either kitchen structure or enhanced finishes



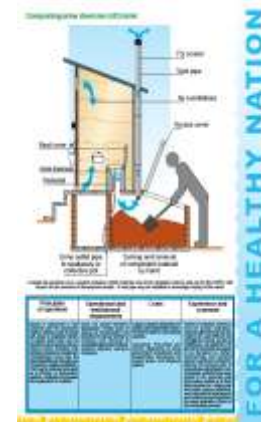


Jabulani Pilot Project



Municipal services:

- Dry composting toilets
- Potable water on each site (probably borehole)
- Gravel access roads with storm water
- Energy - ESKOM + solar voltaic +
- Solid waste to municipal transfer station





Jabulani Pilot Project



Social infrastructure

- School
- Mini MPC
 - Hall
 - Offices
 - Youth centre/library/IT centre
- A small Early Childhood Development Centre
- 1 X worship sites





Jabulani Pilot Project



Income generating activities

Average Income per HH/ annum	R 16,020.00
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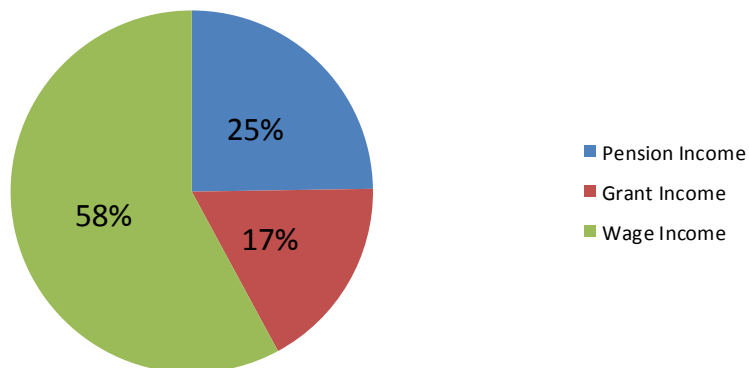
Existing Income Source		
Pension Income	25%	R 436,107.84
Grant Income	17%	R 305,925.57
Wage Income	58%	R 1,020,166.59
		R 1,762,200.00

42%

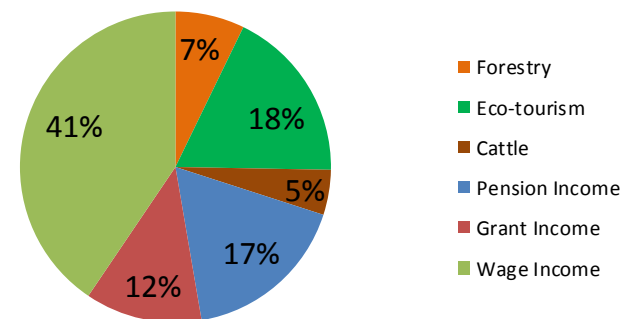
	Gross Income/Annum	
Forestry	7%	R 181,170
Eco-tourism	18%	R 455,200
Cattle	5%	R 118,010
Pension Income	17%	R 436,108
Grant Income	12%	R 305,926
Wage Income	41%	R 1,020,167
		R 2,516,580

29%

Existing Income Source



Gross Income/Annum





Jabulani Pilot Project



Tourism component

- Lodges
- Camp site
- Picnic day visitor site
- Leisure residential plots





Jabulani Pilot Project



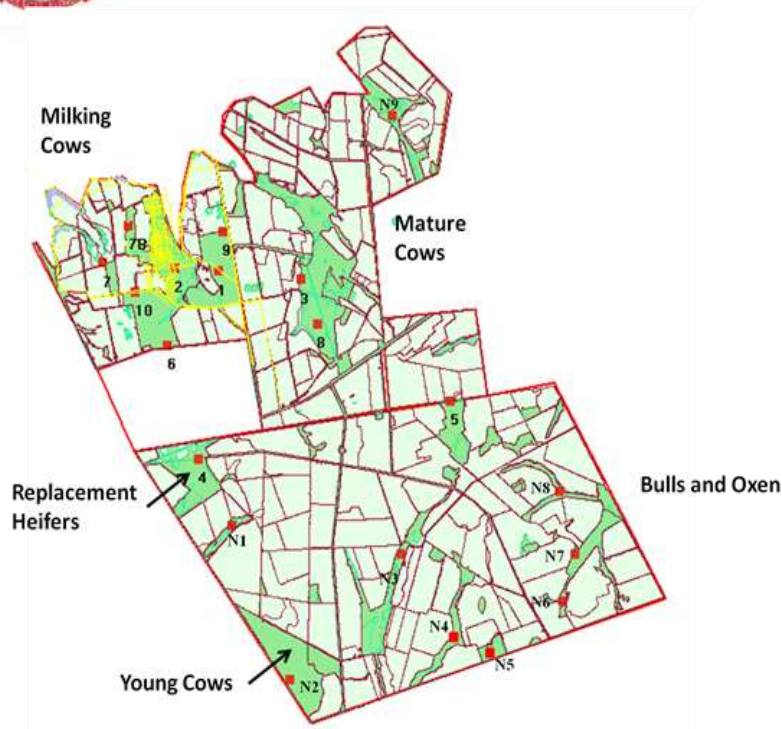
Forestry component

- 329 ha of forest- gum and pine
- Short rotation commercial tree production linked to a pulpwood based market (10 to 15 year rotation)
- Leased out- and community gain annual lease fee (approx lease income = R 160 000 pa)





Jabulani Pilot Project: Livestock



Two herd system:

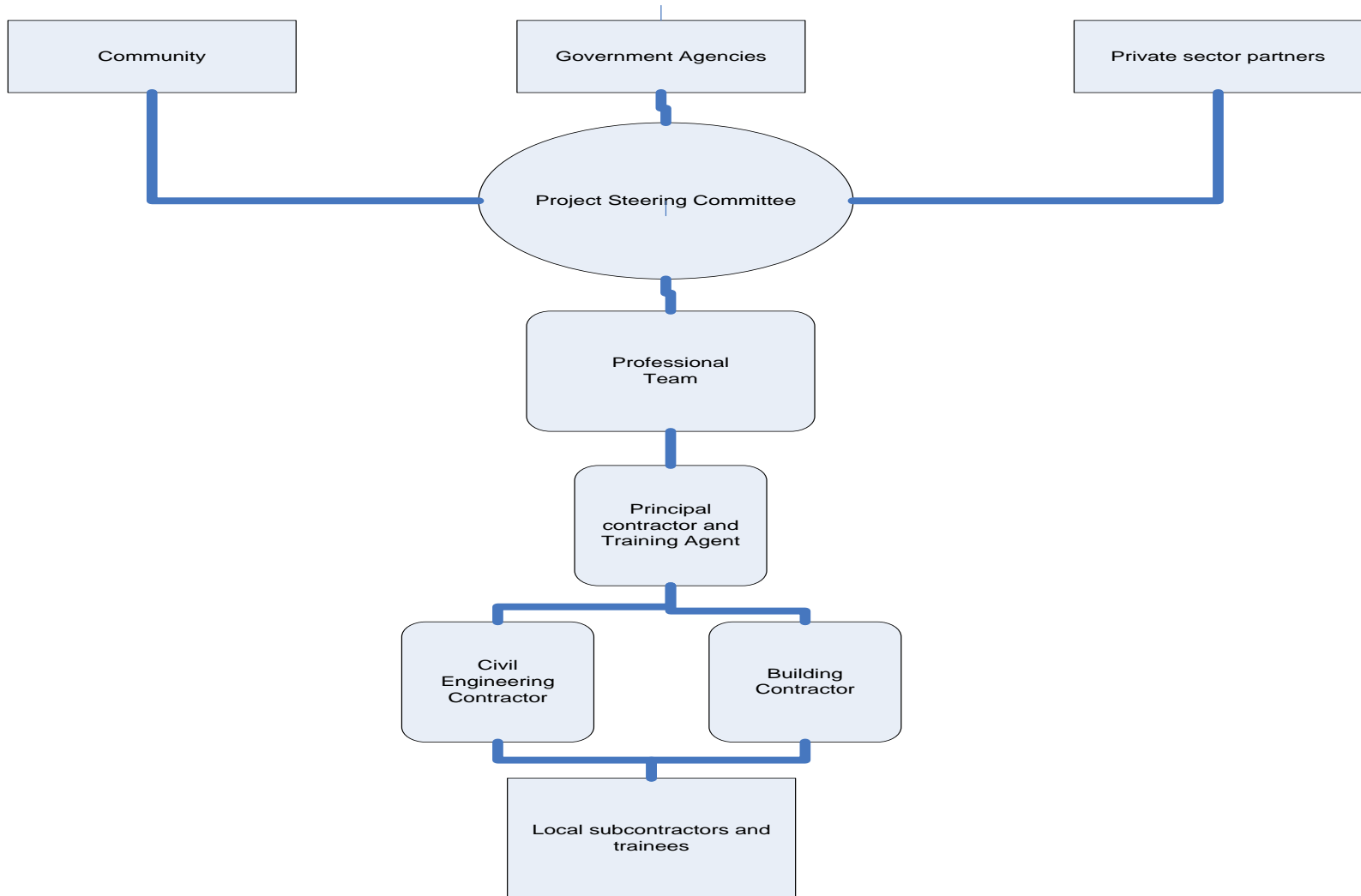
- Agrivillage area 216 ha grazing (+/- 64 large livestock units)- possible dairy focus.
- Possible access to leased Mondi grasslands of approx 679 ha- 210 LSU in 3 three herds made up of cows, maiden and Breeding heifers and First and Second calvers and Bulls and growing Oxen.



❖ **AGRI SETA commitment – mentoring , institution building, skills training**

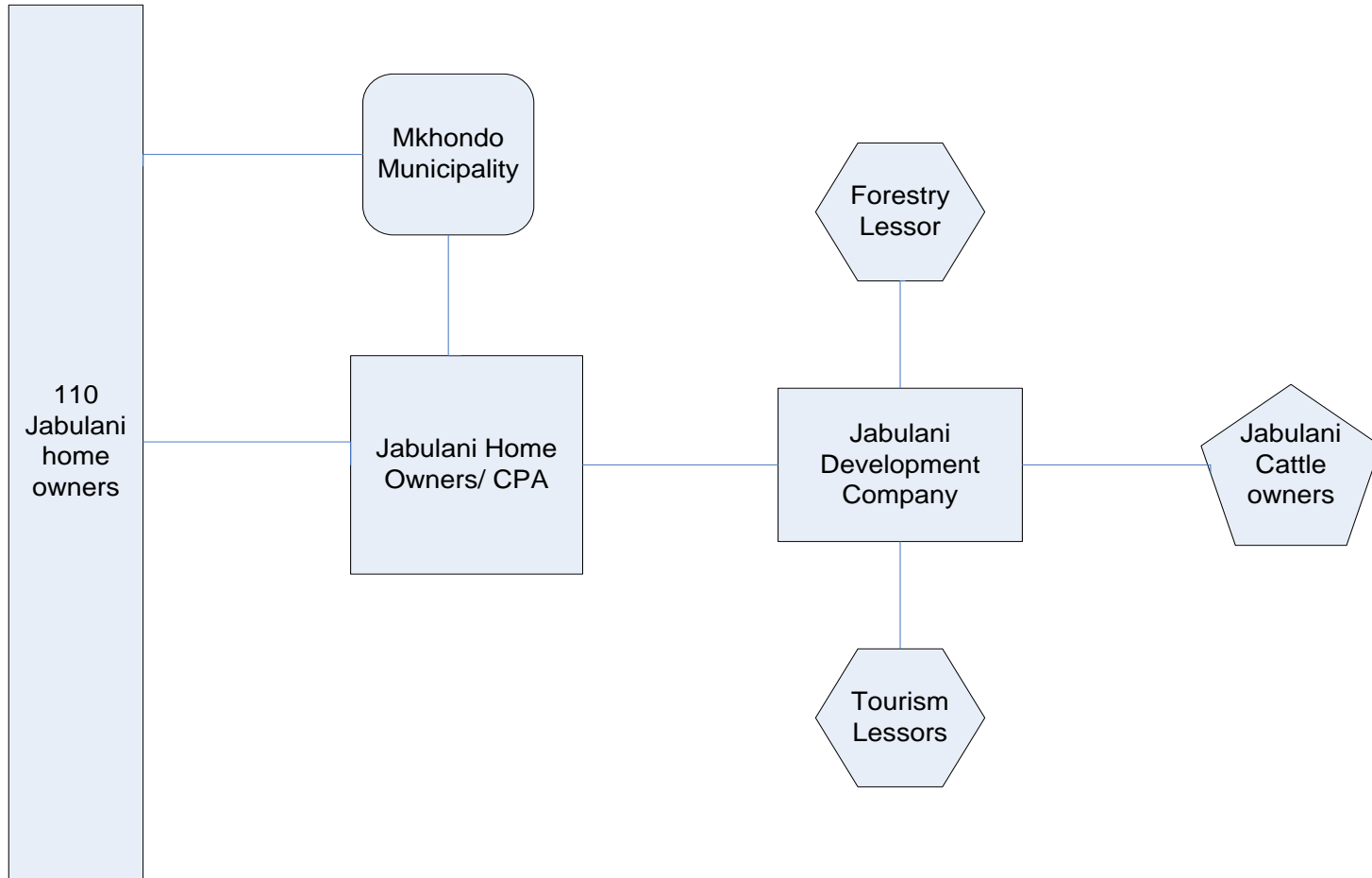


Project Institutional Arrangements





Community Institutional Arrangements





Jabulani Pilot Project



Progress:

- Phase 1 in situ for currently resident households 35
- Phase 2 for households in surrounding villages (after EIA and Planning approval) 75 units
- Phase 3 later

To date

- ✓ Planning and Technical studies
- ✓ Farm plan
- ✓ Preliminary services design
- ✓ House designs and House locations
- ✓ Subsidy applications
- ✓ School refurbishment tender
- ✓ Multi purpose center- concept plan
- ✓ ECD concept plan
- ✓ Funding allocation in 2011/2012 CRDP budget



Progress: Planning



- **LEFTEA application – objection**
- **Revision and refinement to deal with substance of objection**
- **Comprehensive DFA application – fully formulated – submitted and waiting for date- Tribunal establishment awaited.**
- **EIA – formulated – phase 1 scoping complete- public comment close 2 weeks ago- 1 submission- now going to phase 2-**



Progress: Housing



- **Two stage construction- stage 1 =35 units**
- **Stage 1**
 - ✓ Sites pegged
 - ✓ Sites fenced
 - ✓ 35 Subsidy applications compiled submitted and approved
 - ✓ 2 welfare cases being followed up
 - ✓ Building plans submitted to municipality
 - ✓ Construction started 5th April
- **Stage 2**
85 units



Progress: Services



DARDLA- DRDLR & DHS

- Budgets allocated
- Preliminary designs have been completed
- Services agreement complete and signed.
- Bulk services investigations confirm availability.
- Detailed design next step to be ready for EIA approval.



Progress: Social Infrastructure



DRDLR, DSD, NDA, Community

1. School:

- ✓ renovation,
- ✓ additional
- ✓ mobile classroom,
- ✓ kitchen,
- ✓ fencing,
- ✓ assembly,
- ✓ Parking area
- Budget allocated
- Tender compiled and due to be issued

2. Hall, offices, e-centre, library, kitchen

- Funding application NDA- R 3m

3. ECD centre:

- ✓ At planning stage





Progress: Live Stock project



- **Cattle farm plan compiled, process of forming cattle owners co-op underway – 30 cattle owners**
- **Sustainability plan formulated including**
 - ✓ Forestry
 - ✓ Tourism



Progress: Outstanding



Still needing to be put in place:

- EIA approval
- DFA tribunal and approval
- Share (86) of CRDP housing subsidies and agriculture value chain and livestock to be negotiated.



Challenges



- **DFA application objection**
- **Working with spheres of Govt can be challenging**
 - Public Sector Technical capacity
 - Public Sector procurement processes
 - High turnover of Public Sector staff
- **Budget constraints: Both Mondi and Govt**
- **Working within a low capacity municipality area**
- **High community expectation**



Lessons Learnt



- Difficult to promote none core business projects within a corporate
- Information packaging and dissemination needs to be consistent and accurate
- Agility to adapt in an environment of political flux is crucial
- There are plenty resources available in parastatals, NGOs etc: it is about how the project is packaged and sold to funders
- Communicate, communicate, communicate



THANK YOU