

REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS:

OVERSIGHT VISITS TO GOVAN MBEKI AND MBOMBELA LOCAL MUNICIPALITIES, 15 – 24 APRIL 2015

1. INTRODUCTION

The Mpumalanga Provincial Legislature (the Legislature) has a responsibility in terms of Section 118 of the Constitution of the Republic of South Africa, Act 108 of 1996, (the Constitution) to facilitate public involvement in its legislative and other processes. Sections 114 and 133 of the Constitution, read with Rule 190(4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules) directs the Legislature to hold the Executive accountable for the exercising of powers and performance of their functions. Therefore, the Portfolio Committee on Agriculture, Rural Development, Land and Environmental Affairs (the Committee) regularly conducts public hearings and oversight visits to projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs (the department) and other projects; in the various municipalities of the Province.

In terms of Rule 190(4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules) the Portfolio Committee has a constitutional mandate to oversee the performance of the department and to hold the Executive Authority accountable for the delivery of core mandated services.

One of the instruments that enable the Portfolio Committee to execute their mandate is to undertake oversight-visits to various projects in the Province.

3. OBJECTIVES OF THE VISITS

The following objectives shaped the oversight visits to the projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs:

- To evaluate the progress made on projects reflected in the Annual Performance Plan (APP) implemented by the department. The Legislature seeks to ascertain whether provincial government delivers services effectively and efficiently within the respective municipalities.
- To determine the extent to which public funds are efficiently, economically and effectively used by the department in the implementation of its projects;
- To interact with project beneficiaries in order to hear their concerns.
- To fast track service delivery of core services to the communities within the municipality in which the department has funded projects.
- To assess the progress made by the department in addressing the findings made by the Committee during the Pre-TLP oversight visits.

3. METHOD OF WORK

The Legislature conducted its “Taking Legislature to the People” (TLP) programme in the Govan Mbeki Local Municipality in March 2014. During the TLP programme, Portfolio Committees conducted public hearings on the service delivery challenges faced in the municipality. The projects identified for the oversight visits, were visited by researchers in November 2013. During the visits, Researchers gathered information on the status of the projects and noted issues which justified a need for the Legislature to conduct oversight visits in the municipality. The oversight visits to the projects therefore enabled the Legislature to assess the progress that has been made by departments in ensuring that service delivery continues in the municipality.

The Committee conducted oversight visits in the Govan Mbeki Local Municipality from 15 to 17 April 2015. The Committee also conducted an oversight visit to the Mpumalanga Fresh Produce Market, which is in the Mbombela Local Municipality on 21 April 2015.

5. OVERSIGHT ON GOVERNMENT FUNDED PROJECTS

GOVAN MBEKI LOCAL MUNICIPALITY

Invitations were sent to the MEC of the Department of Agriculture, Rural Development, Land and Environmental Affairs. The Regional Director for the Gert Sibande Region accompanied the Committee on all the oversight visits. Invitations were also sent to the

Govan Mbeki Local Municipality. The Speaker of the municipality accompanied the Committee on all the oversight visits.

5.1. INHLASI YOTHANDO (SIKHULILE GARDEN)

5.1.1. Project background

Inhlasi yothando is a food security project which was established by a group of 12 youth members in 2009. The project is located in Bethal (Emzinoni) ward 22 and was allocated 1,5ha of by the municipality. The objective of establishing the project was to assist the youth with income generation and to reduce the involvement of youth in crime activities. All members (youth) have left the project because of various reasons. Twelve new members were identified by DARDLEA and the Ward Councilor for the project to be functional. The new members are mixed of youth and adults.

The beneficiaries were using the Municipality water and there was a pipe damage which caused the municipality to threaten beneficiaries to pay water rates and have faced a challenge of water being cut off and members could not irrigate the garden. The installation of a borehole was proposed by beneficiaries and the request was forwarded to DARDLEA for assistance. The borehole was drilled and equipped. It was handed over to the beneficiaries. The project is farming with variety of vegetables for household use and selling the surplus.

4.1.2. Project Profile

The department provided the following information in terms of the project profile:

| | |
|----------------------------------|--|
| District and Municipality | Gert Sibande District Municipality, Govan Mbeki Local Municipality |
| Village name and ward | Emzinoni (Ward 23) |
| Form of ownership | Municipality Land |
| Number of hectares | 1.5 Ha |
| Beneficiaries | 12 |
| Name of beneficiary | Mrs Thoko Masilela |
| Type of Project | Vegetable Production |
| Source of funding | DARDLEA |

4.1.3. Support Provided by the DARDLEA

The department reported that the following support was provided to the project:

The department provided a fence and training in the project through CASP and Land Care during 2006/7 and 2007/8 financial years. The budget utilized for the project is **R22 904** in 2006/7 for fencing of 87m X 27m garden and fencing of 27m X27m peach orchard in 2007/8 financial year. Vegetables were produced in the project and the production was utilized for household consumption and selling the surplus produces, thus generating income from the farming activity. There was also a container that was used as a storage facility for the project, but has now been taken back to the department. Irrigation water at the time of operations was obtained from the municipality, but later they had to pay for rates in the municipality. This has therefore resulted in the project existing without water to irrigate the garden. In February 2013 the department drilled, erected and equipped a borehole in the project which was also handed over to new beneficiaries on the 28th October 2013. The project beneficiaries have also been provided with a generator for the operationalization of the borehole.

4.1.4. The Committee observed the following main challenges of the co-operative:

Fence theft remains a serious challenge at this project. Two different theft cases were opened with the SAPS. The first case was opened in October 2013 and the second case was opened in April 2015.

4.1.5. The Committee deliberated at length with the DARDLEA and the project beneficiaries at Inhlasi Yothando Project. The following issues were noted from the deliberations:

- There is no market for the project. Project beneficiaries plough for household consumption and what is left is being sold in the local community.
- Project beneficiaries reported that SASOL donated **R30 000** to the project. In addition, they reported that they had **R18 000** at hand.
- Beneficiaries reported that most of their budget was used to transport the generator to the Chairpersons' house, which was where it was kept when not used in the project. In addition, they reported that they also needed to purchase fuel for the generator.

- The Committee noted that the garden was divided into small portions which were allocated to different beneficiaries. Other portions were not well looked after, while others were well looked after. The Committee also noted with concern that different kinds of vegetables were ploughed together.
- The Committee raised a concern on the selection of beneficiaries by the department. The department reported that the Ward Councilor was consulted in the process.
- The department reported that they arranged training for the beneficiaries with the FET College. However, the Committee was of the view that the department must not only rely on the FET College to provide training to the beneficiaries. The Committee encouraged the department to visit the project regularly and provide the necessary advice and leadership whenever required.

4.1.6. Findings

After the deliberations, the Committee made the following findings:

- a) Project beneficiaries plough for household consumption and what is left is being sold in the local community.
- b) The garden was divided into small portions which were allocated to different beneficiaries.
- c) Fence theft remains a serious challenge at this project.

4.1.7. Recommendations

The Committee recommends that the department must:

1. Identify or establish a market for the project to ensure that project beneficiaries sell most of their harvest and only what is left can be used for household consumption. This will enable the project to receive income to ensure that it is sustained. Furthermore, the department must link the project with the school nutrition programme.
2. Look into the functioning of the cooperative as a collective and that all beneficiaries are active participants in the project.
3. Consult the SAPS and ensure that the cases are properly followed up and that arrests are made. Furthermore, the department must provide the project with razor wire fencing which is not easily stolen.

4.2. MAHLANGU AND MTSWENI FARMING ENTERPRISE

4.2.1. Project Background

Mahlangu and Mtshweni project is a livestock farming enterprise that was started in 2007. The farm is situated approximately 10 km outside Bethal on the Bambeeker road on the right hand side of the old Trichardt road. It consists of 8 beneficiaries who received 197 ha of land from the Department of Rural Development and Land reform through the land redistribution programme. 40 ha of the land is arable land and about 157 ha is grazing land. The project was initiated with the aim producing beef cattles in order to make profit. There are two permanent workers employed as shepherds in the project.

40ha of the 197,8589ha is arable land and about 157,8589ha is grazing land. The farm has two homesteads in it and 7 beneficiaries which owns the farm. There are 75 cattles and 16 goats on the farm.

4.2.2. Project Profile

| | |
|---------------------------|--|
| District and Municipality | Gert Sibande District Municipality; Govan Mbeki Local Municipality |
| Village name and ward | Bethal, Ward 15 |
| Land Ownership | Mahlangu and Mtsweni (LRAD) |
| Number of hectares | 197, 8589ha |
| Beneficiaries | 7 |
| Farm Name | Kaffirskaal 131 IS |
| Type of Project | Vegetable and livestock production |

4.2.3. Support Provided by the DARDLEA

The department reported that the following support was provided to the project:

In the 2012/13 financial year, the department provided the project with a Drakensberg bull to improve the breed. The offspring of the bull were 31 in the 2013/14 financial year and 16 in the 2014/15 financial year. The project was provided with fencing material for the division

of camps that covered 7km of the farm. A borehole was also drilled for the supply of water but was not equipped.

4.2.4. The Committee observed the following main challenges of the co-operative:

There is no enough water in the farm but the municipality is supplying the farm with water by means of a truck. There is a borehole which needs to be equipped with water pumps and there are two earth dams which get dry out during winter season.

4.2.5. The Committee deliberated at length with the DARDLEA and the project beneficiaries at Mahlangu and Mtsweni Farming Enterprise. The following issues were noted from the deliberations:

- a) The Committee noted with concern that the farm was still called “Kaffirskraal” even after it was transferred to Mahlangu and Mtsweni.
- b) The department constructed a borehole for the project and it was not optimally functioning. The department then constructed a second borehole. The second borehole was not equipped. The department reported that the challenge was budgetary constraints. The beneficiaries reported that they had to sell all the pigs that they had on the farm because of the challenge they had with water.
- c) The project beneficiaries raised a concern that fence theft was a challenge for the project.
- d) The Committee noted that not all the beneficiaries were actively participating in the functioning of the farm.
- e) The beneficiaries reported that they are farming with 75 cattle and 16 goats. The project is planning to produce *Eragrostis Curvula* on 20ha for livestock feeding in terms of drought.

4.2.5. Inputs by the Govan Mbeki Local Municipality

The Speaker of the Govan Mbeki Local Municipality reported that there was a Committee established in his office focusing on the renaming of Government buildings. The Speaker reported that the focus of that committee will not only be on government buildings, but will also focus on farms. He assured the Committee that the Mahlangu and Mtsweni farm will

be prioritized during the name change process. The Speaker also reported that the challenge of water that the farm was facing will be reported in the Executive Mayor's office as service delivery was a core function of the office of the Mayor.

4.2.6. FINDINGS

After the deliberations, the Committee made the following findings:

1. The project was facing water challenges.
2. The farm was still called "Kaffirskraal" even after it was transferred to Mahlangu Mtsweni

4.2.7. RECOMMENDATIONS

The Committee therefore recommends that the department must:

1. Equip the second borehole and ensure that it is optimally functioning. In addition, the department must ensure that the project is linked with District Municipality to ensure that the water challenges that are faced by the farm are properly addressed.
2. Make an overall assessment of the farm in terms of the current status and the intervention required. In addition, the department must submit such report to the Committee.
3. Make regular follow up with the local municipality to ensure that the name of the farm is properly changed to Mahlangu Mtsweni.

4.3. MZOMUSHA VEGETABLE GARDEN

4.3.1. Project Background

Umzomusha project is a vegetable production project situated in Leandra. The project started with ten members but currently it has 5 members due to conflict within the project members. The project was established due to high unemployment in the area that was faced by the community members. The area of 1ha was allocated by the municipality to the beneficiaries.

4.3.2. Project Information

| | |
|---------------------------|--|
| District and Municipality | Gert Sibande District Municipality; Govan Mbeki Local Municipality |
| Village name and ward | Leandra, Ward 15 |
| Land Ownership | Municipal Land |
| Number of hectares | 1ha |
| Beneficiaries | 5 |
| Farm Name | Leandra / Lebohang |
| Type of Project | Vegetable |

4.3.3. Support Provided by the DARDLEA

The department reported that the project was assisted to register as Cooperation. Conflict started and lack of commitments prevailed amongst the beneficiaries. Conflicts resolution and training courses were arranged for them but did not help. During the 2012/13 financial year, the department provided fencing material at a cost of **R 25 000.00**.

4.3.4. The Committee observed the following main challenges of the co-operative:

There is a lack of commitment from the project beneficiaries. There are conflicts amongst members. The project does not have water for irrigation; they depend on the nearest household.

4.3.5. The Committee deliberated with the DARDLEA and the project beneficiaries at Mzomusha Vegetable Garden. The following issues were noted from the deliberations:

- a) The Committee noted with concern that the garden was not ploughed. Project beneficiaries could not respond to concerns and questions raised by the Committee.
- b) The Committee expressed its disappointment on the non-functioning of the garden.

4.3.6. Findings

After the deliberations, the Committee made the following findings:

- a) The project was not functioning. Conflicts and non-commitment of beneficiaries were reported to be the challenge.

4.3.7. Recommendations

The Committee therefore recommends that the department must:

- a) Submit a comprehensive report on the support that was provided to the project. In addition, the department must submit a turnaround strategy on how the project will be resuscitated.

MBOMBELA LOCAL MUNICIPALITY

4.4. MPUMALANGA INTERNATIONAL FRESH PRODUCE MARKET (MIFPM)

The Committee conducted oversight visit to the Mpumalanga Fresh Produce Market on Tuesday, 21 April 2015. Invitations were sent to the MEC of the Department of Agriculture, Rural Development, Land and Environmental Affairs, the Mpumalanga Economic Growth Agency and the Mbombela Local Municipality.

4.4.1. Project Background

The Mpumalanga International Fresh Produce Market was initiated as part of Outcome 7, which is about ***“ensuring vibrant, equitable and sustainable rural communities and food security for all”***. The MIFPM is aimed at increasing the number of small farmers accessing market and reducing the transaction costs involved in agricultural marketing. The MIFPM will provide modern facilities for cold chain, ripening and packaging of produce that will attract international customers as well as leading local retailers. As a result of the fresh produce market establishment, it is expected that small scale producers and cooperatives will be linked (through the creation of Agri-hubs) with the main market.

The implementation of the MIFPM was approved by the Executive Council on 16 March 2011 and 248ha of portions of Boschrand Farm were purchased in June 2012. During the 2012/13 and 2013/14 financial years the department paid the total land price of R52, 3 million. In February 2014, the department signed a Memorandum of Agreement (MoA) with the Mpumalanga Economic Growth Agency (MEGA). The actual project handover took place later in September 2013.

4.4.2. Progress made in the implementation of the MIFPM

The following progress was reported by the department:

| ACTIVITY | COMMENTS | PROGRESS MADE IN % | TIME LINES |
|--|--|--------------------|---------------|
| Signing of Memorandum of Agreement between MEGA and DARDLEA | Signed by all parties | 100 | February 2014 |
| Transfer of land to Mpumalanga Government | Land registered in Mpumalanga Provincial Government | 100 | March 2014 |
| Stakeholder Coordination meetings for implementation and monitoring | Progress meeting with Stakeholders are being held as scheduled | Held bi-monthly | On going |
| Application, Registration and payment of bulk electricity to Eskom | Application concluded | 100 | March 2014 |
| Water use License application and approval | Application submitted and awaiting approval by the Department of Water Affairs | 90 | May 2015 |
| Heritage Report | Completed | 100 | March 2014 |
| Geo Technical Report | Completed | 100 | March 2014 |
| Traffic Impact Study | Completed | 100 | May 2014 |
| Feasibility report not completed because of the Fresh Harvest payment delays | Fresh harvest paid and appointment of another service provider is in process | 45 | June 2015 |
| Storm Water Management Plan | Completed | 100 | June 2014 |
| Engineering Services Report | Completed | 100 | June 2014 |
| Completion of wetland study | Completed | 100 | July 2014 |
| EIA Authorization for bulk services has been acquired | Completed | 100 | August 2014 |
| Approval of the township layout by Mbombela Local Municipality | Waiting for approval document from the municipality | 95 | April 2015 |

| | | | |
|--|--|-----|---------------|
| Bulk sewer construction on site (1.28km out of 1.68km) | In progress | 87 | May 2015 |
| Bulk electrical installation | Completed | 100 | December 2014 |
| Bulk water pipeline installation | In progress | 30 | July 2015 |
| EIS for buildings | Awaiting final approval from the Department of Environmental Affairs | 90 | May 2015 |

4.4.3. The Committee deliberated with DARDLEA, MEGA and Mbombela Local Municipality. The following issues were noted during the deliberations:

- a) The land has been transferred to Mpumalanga Government and the sugar cane farmer was farming under a lease agreement.
- b) The Committee noted that it is expected that the bulk water project will experience delays as the pipes have to cross over the R37 road. The environmental feasibility study recommended that accessing the R37 road will require approvals from SANRAL.
- c) The Committee noted with concern that there is also an expected delay in the completion of the project as the sewer system is supposed to pass through a railway line within the farm. The department reported that Transnet requires an upfront payment of **R59 000** to supervise the construction that goes through the railway line in order of compliance.
- d) The Committee expressed its disappointment on the additional and unexpected costs that the department will encounter during the implementation of the project.
- e) The department reported delays relating to approval of the Township Layout plan by the Mbombela Local Municipality. The Councilor that was representing the municipality could not respond to concerns raised by the Committee as she reported that she was only sent to take notes for the Executive Mayor. The Councilor assured the Committee that the concerns of the Committee will be reported to the Executive Mayor.
- f) The actual construction of the MIFPM had not commenced. The department reported that the final building designs depended on input from the feasibility study.

4.4.4. Challenges

The Committee observed the following challenges with regards to the MIFPM:

- a) Delays by the Mbombela Local Municipality to confirm who will take over the bulk civil services (water, sewer and roads) after incorporation the farm into town precinct.
- b) Delays by the approval of township layout plan by Mbombela Local municipality is affecting the implantation of other sub projects such as internal services since they depend on the layout plan.
- c) Halls was charging for the transfer of water rights. The department reported that negotiations were still in place around the benchmarking and the legalities.

4.4.5. Findings

After the deliberations, the Committee made the following findings:

- a) The environmental feasibility study recommended that accessing the R37 road will require approvals from SANRAL.
- b) The department reported that Transnet requires an upfront payment of **R59 000** to supervise the construction that goes through the railway line in order of compliance.
- c) The department was facing a number of challenges in relation to its engagement with the Mbombela Local municipality.
- d) The department was not certain on what the other part of the farm will be utilized for.

4.4.6. Recommendations

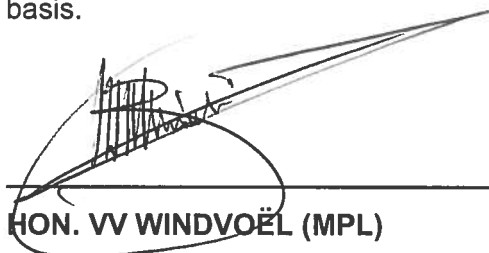
The Committee therefore recommended that the department must:

- a) Clarify the Committee on whether the approval has been received from SANRAL and whether there will be no further escalations on the project cost.
- b) Continually engage with TRANSNET and ensure that the sewer pipeline challenge is addressed. In addition, the department must submit comprehensive project expenditure to date.
- c) The Executive Authority of the department must engage with the Executive Mayor of the Mbombela Local Municipality and ensure that all the challenges are addressed.
- d) Submit a comprehensive and costed plan on how the other part of the farm will be utilized.

5. CONCLUSION

The Chairperson of the Portfolio Committee, Hon VV Windvoël, extends his appreciation to Members of the Committee, Executive Mayor, Speaker and all Councillors of the Govan Mbeki Local Municipality and departmental officials, all stakeholders and the support staff of the Legislature for their participation during this oversight visit to the communities of the Govan Mbeki and Mbombela Local Municipalities, in enhancing the oversight role of the Legislature. The Portfolio Committee tables this report to the House for adoption with its recommendations.

Unless otherwise stated, the department should provide progress reports on all issues raised to the relevant Portfolio Committee by **30 August 2015** and thereafter on quarterly basis.



HON. VV WINDVOËL (MPL)

29/07/2015
DATE

**CHAIRPERSON: PORTFOLIO COMMITTEE ON
AGRICULTURE, RURAL DEVELOPMENT, LAND
AND ENVIRONMENTAL AFFAIRS**