
DELIVERY AGREEMENT

Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all

1. INTRODUCTION

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable outputs with targets. Each output is linked to a set of activities that will help achieve the targets and contribute to the outcome. Each of the 12 outcomes has a delivery agreement which in most cases involves all spheres of government and a range of partners outside government. Combined, these agreements reflect government's delivery and implementation plans for its foremost priorities.

This delivery agreement is a negotiated charter which reflects the commitment of the key partners involved in the direct delivery process to working together to undertake activities effectively and on time to produce the mutually agreed-upon outputs which in turn will contribute to achieving outcome 7.

The delivery agreement provides detail to the outputs, targets, indicators and key activities to achieve outcome 7, identifies required inputs and clarifies the roles and responsibilities of the various delivery partners. It spells out **who** will do **what**, by **when** and with **what** resources. The outcomes apply to the whole of government and are long term. While the delivery agreement may contain longer term outputs and targets, it also includes outputs and associated targets that are achievable in the next 4 years.

The normal budgeting process will continue to determine the allocations to Departments. These Delivery Agreements will be an important input into the budgeting process for 2011/12 and the final budget allocations will affect the order of priorities and phasing of the implementation of this Delivery Agreement. For 2012/13 and subsequently, the annual revisions to the Delivery Agreement will be timed to link with the budget process so that the revised Delivery Agreement is signed off after the budget is signed off."

It also considers other critical factors impacting on the achievement of outcome 7, such as the legislative and regulatory regime, the institutional environment and decision-making processes and rights, the resources needed and re-allocation of resources where appropriate.

This Delivery Agreement will be reviewed annually in the light of learning by doing and monitoring and evaluation (M&E) findings. Accordingly it will be refined over time and become more inclusive of the relevant delivery partners.

2. HIGH LEVEL PROBLEM STATEMENT

There is no officially adopted definition of rural areas. Most departments define rural areas as “the sparsely populated areas in which people farm or depend on natural resources, including the villages and small towns that are dispersed through these areas. In addition, they include the large settlements in the former homelands, created by the apartheid removals, which depend for their survival on migratory labour and remittances.” (Rural Development Framework of 1997).

The challenges facing rural areas include under utilization and/or unsustainable use of natural resources; poor or lack of access to socio-economic infrastructure and services, public amenities and government services, lack of access to clean water or lack of water resources for both household and agricultural development; low literacy and skills levels, migratory labour practices, decay of the social fabric and decline in indigenous cultural values.

In short, there is absence of, or very poor infrastructure and institutional support for meeting minimum or basic human needs, decent shelter, food security, water and sanitation, electricity, social facilities and amenities and decent logistics system – and attracting small sustainable enterprises and industries, artisanal and other technical skills, entrepreneurs, rural-urban linkages, local markets and credit facilities. On the government front, there is lack of strategic capacity to derive and sustain development

3. OUTPUTS

Five key outputs which will contribute to the achievement of the outcome on vibrant, equitable and sustainable rural communities and food security for all have been identified. Additional outputs that deal with cross cutting issues that contribute to or have an impact on the achievement of the outcome has been identified. These outputs are presented in the diagram below



The Department of Rural Development and Land Reform and its delivery partners also contribute to the following outcomes:

- **Outcome 4** : strengthening employment, economic growth and equality in line with the job creation model
- **Outcome 9** – meeting basic needs of communities and promoting appropriate service delivery models in rural areas
- **Outcome 10** : sustainable natural resource management

4. IDENTIFICATION OF DELIVERY PARTNERS

Rural development is a cross-cutting programme that calls for partnerships with multiple stakeholders both within and outside government. Budgeting, planning and implementation of these programmes cut across different departments and the three spheres of government. In addition very few programmes and services have fully decentralized service points which reach into rural communities, which this outcome specifically seeks to address. Therefore a complex set of partnerships will be required to ensure that rural development could be achieved. For effective implementation it will be necessary to clearly define roles and responsibilities among all role-players including non-governmental stakeholders that will provide support and contribute to the achievement of different outputs.

Public agencies will form the core of the Implementation Forum which will drive achievement of this outcome, supported by strategic civil society partners. The Implementation Forum will consist of the coordination department (DRDLR), co-chair (DAFF) and other core departments. Supporting departments and stakeholders will form task teams per output. The task teams will include other departments and stakeholders from other outcome forums as and when necessary.

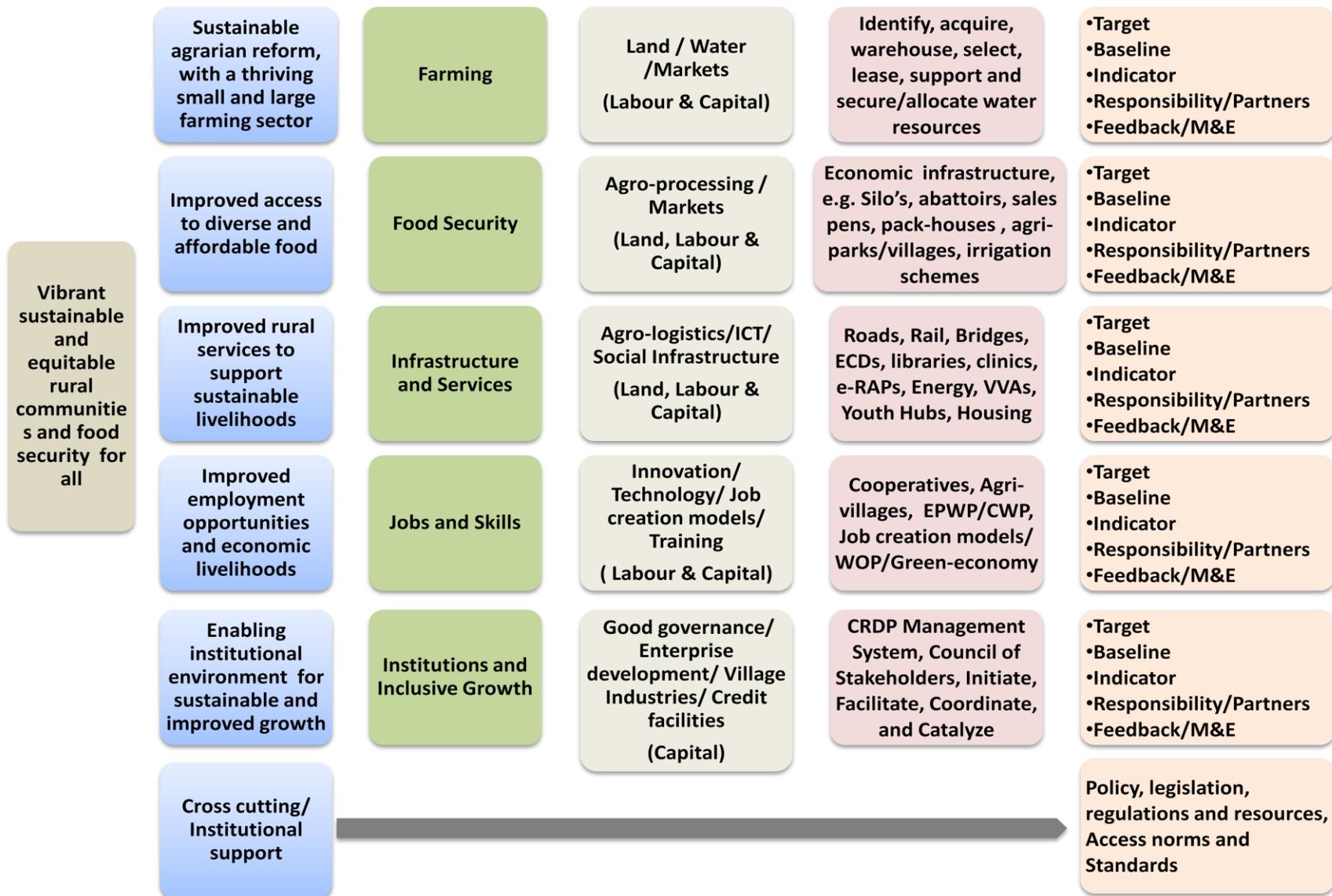
Table 1: Implementation Forum

Coordinating Department	Co-chair	Core Departments	Key stakeholders
DRDLR	DAFF	COGTA, DPW, DWA, dti, DSD, Energy, EDD, DHET, DOT, DPSA, DST Provincial sector Departments, MINMEC's with the rural development function	DEA, DST, EDD, DoH, DBE, DHET, DOT, DAC, SRSA, DoL, DOC, DMR, DHS, Local Government, SETA, Provincial Sector Departments, State-Owned Enterprises, Public Entities, SALGA, ARC, HSRC, CSIR, Municipal Demarcation Board, NGOs, water services providers, farmers organisations, Perishable Products Control Board, Traditional Institutions, Councils of Stakeholders

5. LINKING OUTPUTS TO OUTCOMES

The diagram below shows the elements of outcome 7 delivery agreement, the relationship between the outcome, output and its sub outputs and activities to achieve the outputs. It further indicates the results per output as a contribution towards achieving vibrant sustainable rural communities and food security for all.

OUTCOME 7 ➔ **OUTPUTS** ➔ **DRIVERS** ➔ **SUB-OUTPUTS** ➔ **ACTIVITIES** ➔ **RESULT CHAIN**



5.1. Output 1: Sustainable agrarian reform, with a thriving small and large farming sector

Agrarian transformation means the ‘rapid and fundamental change in the relations (systems and patterns of ownership and control) of land, livestock, cropping and community. This entails among other things improving the productivity, economic viability and sustainability of small and large farm enterprises. It focuses on, but is not limited to, the establishment of rural business initiatives, agro-industries, co-operatives, and vibrant local markets in rural settings, the empowerment of rural people and communities (especially women and youth); and, seeks to transform power relations.

This output aims to contribute to the following:

- Economic growth (through the agricultural sector) and ensure that the economic benefits are experienced at local level;
- Efficiency in water use through suitable technologies;
- Ensures availability of land for socio economic development, economic growth through the agricultural sector and access to food security, and;
- Improved production.

There will be differentiated support to different categories of farmers categorised by the Intergovernmental Committee on Agriculture Sub Committee on Economics (ITCA) as shown in Box 1 below:

Box 1: Definitions of categories of farmers

DAFF uses three categories of farmers:

1. Subsistence/resource-poor farmers

This refers to a category of farmers that, due to resource constraints, and using limited technology, produce food to supplement their household food needs, with little or no selling of produce to the market.

2. Smallholder farmers

Smallholder farmers produce food for home consumption, as well as sell surplus produce to the market. Due to the erratic nature of their production, less successful smallholders will sometimes regress into the resource-poor/subsistence category. However, the more successful ones will graduate

into the commercial category. This category is therefore intermediate between subsistence and commercial.

3. Commercial farmers

This category of farmers produces primarily for the market and makes considerable living from farming. In practical terms, in order to be classified as commercial, farm income must exceed a minimum economic size. Due to the expensive nature of capital formation and implementation of technological processes, the landowners of such farms are often large in scale to counteract the low returns on investment of the sector.

The established commercial sector is struggling to compete internationally and in the process farms are getting more concentrated or diversifying into game farming, in the process shedding jobs.

Land is a catalyst for poverty alleviation, job creation, food security and entrepreneurship. To date 6m hectares of land has been transferred through land reform. Much of this land is not being used as productively as it should due to inadequate pre- and post-settlement support. There has been emphasis on delivering hectares of land at the expense of stimulating agricultural production, ensuring food security and promoting economic development. This has contributed to a decrease in employment in the agricultural sector.

There is a need for effective development and beneficiation of land reform beneficiaries, creation of decent jobs on farm and establishing agri-villages for local economic development. A developmental approach to the settlement of restitution claims will be taken. Land reform projects will be recapitalized through programmes that seek to increase the productivity levels, employment and gross value of these farms.

It is essential that a complementary and effective set of services are available for small farmers, notably extension workers, where the coverage and quality is poor. Models of delivery need rethinking to provide real value addition, be farmer-driven and flexible, and build on capacity in the private sector. Mechanisms to support access to markets by small farmers are key, e.g. using BEE scorecards to encourage purchasing from local small producers, and promoting consumption of local food. For both large and small farmers it is important to ensure a larger share of the retail price goes to producers rather than the packagers and retailers, through greater involvement in the value chain. It is also important that agro processing happens in rural areas.

There is a need to stimulate interest in agriculture through amongst others mentorship programmes and reviving agricultural colleges. The rights of farm workers and dwellers have to be protected.

Programmes for more sustainable production are needed, with a particular focus on effective use of water, e.g. water harvesting etc. Provision of water for agricultural purposes will be balanced through strategies that focus on improving the efficiency of water use and the use of appropriate technologies to reduce water demand from irrigation. Agriculture need to be effectively planned to ensure that production is sustainable, taking into account the effects of climate change, and protecting high potential agricultural land.

The small farmers should be supported to enable them to organize themselves to both demand and provide services for each other, to market collectively and through other market channels, rather than just a state-driven system. It is important to start by ensuring that the set of services envisaged above starts in areas with large numbers of small farmers.

This output has been broken into 2 categories, small-holder agriculture and large-scale commercial farming. The following sub-outputs have been identified for realizing the output.

5.1.1 Sub-outputs

Small-holder agriculture thriving and productivity increasing

- Improved access to markets for small farmers, and;
- Suitable sustainable technologies available for small-farmer production

With the impact of climate change, the country will be exposed to incidents of droughts and floods. Thus investing in technology which promotes drought resistant crops and early warning system will minimize the effect on production levels during these periods.

There is a need to link water reform strategies with agrarian reform strategies. A comprehensive package of services, including subsidised water licenses should be offered to small and large-scale black farmers. Such packages should also include training in conservation of water/use of grey water in agriculture and other “green” agricultural practices.

Rainwater harvesting including erection of boreholes and provision of water tanks in targeted areas should be promoted.

Farmers should be linked to the ecosystem-services programme of the Department of Environment. Land made available through the land reform programmes should be provided on conditions of sustainable agricultural practices. There is therefore a need to review and align the policies of DWA, DAFF, DRDLR, DEA and COGTA (Free Basic Services) formulating joint programmes for joint accountability.

Access to an integrated agricultural information and decision making support system should be provided to farmers and Animal Health Technicians should be provided with basic tools for primary animal health care support.

Up to date research and technologies need to be also made available to the farming sector. There is a need for more investment in agricultural research and development to assist farmers use current information on markets, climate, etc. and the latest technologies/methods in farming.

- Targeted training programs for beneficiaries of land and agrarian reform should be provided in specific commodities (livestock, crops and mixed farming systems) in all provinces.
- Small farmers able to access production programmes (Credit, water, Mechanization, etc).
- Small farmers have secure access to land in communal areas
- Land use improving and preserving high potential agricultural land
- Effective farmer associations, commodity groups and cooperatives driving support and advocacy
- Failing land reform projects resuscitated

Large-scale commercial farming thriving

- Land claims resolved and climate for investment improving
- Greater stability in prices
- Increased competitiveness against subsidized competition
- Farmers increasing their share of value-addition in food and industrial crops

General

- Policy-makers and rural people believe in the potential of agriculture and land for food security and income generation.
- Increased investment in agriculture, forestry and fisheries

The implementation of the activities under this outcome will be carried out by the intersphere task teams as indicated under each output. Membership will include external stakeholders and community based organisations. Stakeholders must ensure that Ensure that representatives who participate in these task teams have the delegated

authority and decision making powers. These officials should be working in relevant programmes that address outputs and activities.

Partners will also provide financial resources, provide technical support and submit their reports and make policy recommendations to the implementation forum. Crosscutting policy issues will be dealt with in the relevant Clusters.

The implementation of the activities under this output and sub outputs will be carried out by a task team consisting of stakeholders as indicated in the table below.

Task team		
Lead/co chair	Support departments	Other stakeholders
DAFF & DRDLR	DWA, COGTA, dti, DED, Provincial Departments of Agriculture and Rural Development, Tourism, DST	Other relevant national and provincial sector departments Finance institutions, Land Bank, Farmer organisations, Local Government, public entities etc.

Crosscutting policy issues will be dealt with in the Economic Sector and Employment Cluster and Social Protection and Community Development Cluster.

5.2 Output 2: Improved access to affordable and diverse food

Reducing the number of undernourished children is part of the Millennium Development Goals. While the risks of increased food insecurity may be more pronounced in urban and peri-urban areas, where people rely exclusively on purchasing their food, they are of particular significance in rural areas where a large proportion of the population reside and where a large percentage of poor rural households are net-buyers of food. Many smallholder farmers, who constitute the large majority of agricultural producers, are unable to respond to food price hikes with increased production due to a lack of access to markets, extension, inputs, and finance. As a result, they find themselves struggling in their effort to feed their families particularly in the face of disaster and risks. Also as most food is processed in cities, rural dwellers find the cost of food too high to feed their families. Thus food affordability becomes a major stumbling block for the rural dwellers.

There is an integrated strategy on food security and sector policies to support food security but it needs to be reviewed to take current challenges and new

programmes into consideration and ensure that implementation programmes integrated.

Sustained high prices and lack of measures to assist vulnerable people will have irreversible impact on human development, with malnutrition having lasting impacts on children and their educational performance, and so their employability, contributing to the cycle of poverty. Many rural people still do not have access to social protection implying that the most effective mechanisms for reaching vulnerable people are not in place. This leaves millions with limited, often harmful, coping mechanisms including reducing meals, eating less nutritious food, taking children out of school, selling livestock and other assets, or borrowing money to feed their families. Reduced nutritional intake worsens the health status of the population and reduces resilience to disease and shocks.

Rising food prices could bring the threat of unrest and political instability particularly in situations where political and social institutions are fragile and less able to provide the rapid response which can calm social unrest.

5.2.1 Expected results

This output therefore aims to -

- Reduce the percentage of the total population that experiences hunger, and;
- Decrease in the percentage of under-nourished children.

The following sub outputs have been identified to support the realization of this output:

5.2.2 Sub outputs

Households producing part of their own food

Initiatives on establishing home, community and institutional gardens will be supported as means of promoting food production and reducing food insecurity. Community-based services will be provided to support production of diverse vegetables (including indigenous crops such as amaranthus), fruit and small stock. Fencing projects will be implemented in order to reduce theft and destruction by animals. Support will include establishment of community and village markets as a way of ensuring accessibility and affordability of food while improving household and community income. In the long run this initiative will be linked establishment of cooperatives and processing plants at local level. Key to the success of this

intervention is the promotion of rainwater harvesting to utilize rainwater for food production, including provision of water tanks.

5.2.3 Local storage minimizing losses and deterioration of food, and seasonal unavailability

Storage helps to overcome seasonal food fluctuations and provide stable supply. Climate change disaster and associated risks have a negative impact on food security including accessibility and affordability (food prices). The work under this output promotes safe local and household storage, as well as preservation. Part of the community-based extension services will need to focus on this aspect. The food bank programme will be of value particularly in cases of disaster and other risks. However this programme should be linked to purchasing food from the smallholder farmers and other nutrition programmes.

5.2.4 Access to nutritious foods

Food affordability has a negative effect on ability of people to choose the food they eat and how they use food, including their ability to secure essential nutrients from the food consumed. There needs to be increased awareness of health, hygiene and the nutritional value of different foodstuffs and the importance of a balanced diet including the value of indigenous vegetables, fish and fruit, through school education and advice by community-based health promoters.

Public education programmes aimed at raising levels of awareness of nutritious food including use of "wholesome" locally produced food against established industrial brands will be implemented. Measures to improve supplementation and fortification of foodstuffs, including provision of vitamins and supplements for the needy, retention of roughage, as well as promotion of good agricultural practices including organic production will be promoted. The norms and standards of feeding nutritious food at schools should be created or improved working in partnership with industries.

Community support systems and communal social protection mechanisms and cooperatives will be revived in line with Letsema/Ilima principles and the objective of promoting social cohesion.

5.2.5 Adequate income to buy food

While food production is key to addressing challenges related to food insecurity, affordability and diversity, programmes in output 1 and 4 contribute to household

income. Therefore this sub-output will focus on the contribution of other programmes that allow households to reduce their expenditure in some areas (e.g. free basic services, programme on no fee paying school etc.) and increase spending on food e.g. using social grants or food vouchers. Studies conducted in KwaZulu Natal and in the nodes show the positive impact of social grants on nutrition of children. Working with relevant sectors efforts will be made to ensure access to such programmes by the public, including establishment of one stop service centres (Thusong centres) and mobile services to remote areas as well as the use of EPWP and Community Works Programme to guarantee some income. While social grants allow greater expenditure on food, there is a need to ensure that emergency food relief is provided, and that it reaches target groups. Where possible this can draw from food banks, and local producers.

5.2.6 Food prices stable and affordable

Strategies to address food security should also address four main components i.e. Food availability, food accessibility, food utilization, and food system stability as all of them contribute to food affordability. The work under 2.1 and 2.2 will promote local production and accessibility. More work is needed on this working with outcome 4 to define suitable mechanisms.

5.2.7 Early warning of potential food security challenges

An early warning system that will assist identify vulnerable people should be developed through the implementation of a revised Food Insecurity and Vulnerability Information Management System. The revised system should include elements that will assist monitor and provide warning and trends on risks that have impact on food security e.g. drought, climate change, disaster etc. To this end an analysis and management of food insecurity information should be gathered. The Food Insecurity Classification Map and response plans/interventions will be developed.

5.2.8 Suitable policy and systems in place integrating support for food security

Policies aimed at directly or indirectly addressing the challenges related to food insecurity e.g. school nutrition programme, comprehensive social security, free basic services are covered by different departments. These policies will have to be audited, aligned and integrated to ensure maximum impact in improving access to food. For effective implementation and improvement of food security the integrated food security strategy needs to be reviewed to ensure that it addresses all aspects of food security i.e. food availability, food accessibility, food utilization, and affordability. This strategy should include elements of other programmes that

contribute to improving household income or assist to divert income from other needs to household food purchasing e.g. EPW and free basic services. Relations with the private sector, traditional leaders and organised agriculture and their contribution to food security and agricultural production should also be formalized

The implementation of the activities under this output and sub outputs will be carried out by a task team consisting of stakeholders as indicated in the table below.

.Task team		
Lead/co-chair	Support departments	Other stakeholders
DAFF	DRDLR, DBE, DoH, DTI,,DPW,DSD,DWA,DoCG, DHS, DoCG, provincial sector departments, Local Government, Traditional leaders	Farmer's organisations, NGOs, CBOs, Public entities, Private sector, and competition commission etc.

Crosscutting policy issues will be dealt with in the Social Protection and Community Development Cluster.

5.3 Output 3: Improved rural services to support sustainable livelihoods

Rural communities are still faced with challenges related to lack of and/or inadequate services and related infrastructure and inadequate resources for service delivery. Provision of services and allocation of resources should take into consideration the complexities and unique challenges facing each rural space. This therefore calls for adapted and realistic models of service delivery.

Strategies and resources for provision of services are in different sector departments and different spheres of government calling for coordination and integration for these to maximise their effectiveness. Related to this is the need for departments to agree on access norms and standards that will ensure access to services. This will in some cases require the amendment of some policies and information dissemination to communities on the proposed changes to standards.

The key sphere responsible for provision of basic services is Local Government. However strategic posts in some of the municipalities are not filled. Where positions are filled, officials are often incompetent or have poor work ethics which affects the provision of services. Political dynamics and ineffective governance structures also have a negative impact on service delivery. Many other services are provided by national and provincial government but these often do not reach

communities. Different service delivery models may be needed to ensure that rural communities access these services.

In order for services to be provided effectively some basic infrastructure is needed. The following sub outputs have therefore been identified to support the output.

Poverty alleviation programmes have been reactive, tackling symptoms rather than causes of developmental challenges facing communities and households. Knowledge and understanding of the factors that make communities and households vulnerable, their survival strategies and assets available to them is crucial for ensuring proactive and evidence-based responses.

5.3.1 Expected results

Addressing this output should contribute to:

- improved and fast tracked service delivery through innovative and adapted service delivery models
- Increase number of households that access services (clean water , sanitation, electricity, waste removal)
- access to socio-economic infrastructure and
- Improved access to information and services through ICT

5.3.2 Sub outputs

Key infrastructure of good quality available in rural areas

Infrastructure is important for provision of services e.g. water, sanitation, electricity and roads. The quality and condition of some of the infrastructure in rural areas is very poor. There is therefore a need for rehabilitation, maintenance as well as construction of new infrastructure. Some of this requires public-private partnership.

Related to this will be water resource protection including preservation of groundwater reserves and prevention of further loss of wetlands. Furthermore, action needs to be taken to increase the number of wetlands under formal protection from the current level as well ensuring that the number of rivers with healthy ecosystems increases significantly (***source outcome 10 delivery agreement***)

5.3.2.1 Access to services

Infrastructure should contribute to access to services for both household and economic development

5.3.2.2 Access to information

Information is critical for development and access to markets, as well as services. Work will be undertaken to improve ICT access for rural areas, including the establishment of e-centres where people can access computers and the internet, and be trained to use it.

5.3.2.3 Adequate & reliable rural transport services provide access for people & services to rural areas

Access roads, pedestrian paths and rural transport are key in themselves but they are also an enabler for other services (e.g. mobile clinics, emergency services etc) and linking agricultural production with markets and other modes of transport e.g. rail.

5.3.2.4 Innovative service delivery models adapted for rural areas available widely

Rural areas have different challenges notably caused by a dispersed population with low population densities and often poor access. Therefore more flexible models of service delivery, such as the use of locally-based and community-based service providers, are needed. Some of these models are being applied in some sectors, notably health, but could be used much more widely and could enable many more services to be provided in rural areas.

Collation of good practice is needed for development of suitable models that can be applied widely. Service delivery models used by stakeholders should be audited and/or adapted and where nonexistent developed in partnership with stakeholders taking sector policies, norms and standards, the unique challenges and remoteness of rural communities into consideration. These models should also build on local knowledge; promote community involvement in the development of ward plans and contribution in the implementation of some of the projects in line with output 5 below.

5.3.2.5 Adequate resources for rural services and infrastructure

Financial resources allocated for rural services and infrastructure, which are inherently more expensive than in densely populated urban areas, are inadequate. Apart from an issue of the absolute amounts, activities will include review of the norms and standards for rural areas and ensuring that they are appropriate and improve integration of planning for resources

5.3.2.6 Implementation

The implementation of the activities under this output and sub outputs will be carried out by a task team consisting of stakeholders as indicated in the table below.

Task team		
Lead/cochair	Support departments	Other stakeholders
DRDLR	DoH, DAFF DWA, DST,DBE, DSD, DHA, DHET, DHS COGTA, DSD, DoL, DMR, DHS, Energy, DOC, DOT ,DPW,NYDA, TOURISM	Provincial government departments, Local Government, SOEs, public entities,

This task team will also audit, adapt or develop suitable/appropriate models of service delivery for rural areas. In addition it will align access norms and standards to ensure optimum access to services to the communities.

Linkages will also be made task teams under outcome 6 on infrastructure; Outcome 9 on provision of services and outcome 8 on integrated human settlements particularly sanitation. The provision of infrastructure will be linked to the job creation & skills development (under outcome 4 & 5 and output 1 & 4 under this agreement).

Crosscutting policy issues will be dealt with in the Social Protection and Community Development Cluster. Where linkages have been established with relevant outcomes policy issues will be dealt with in clusters where those outcomes are discussed after consultation with the relevant coordinating departments.

5.4 Output 4: Improved employment opportunities and economic livelihoods

One of the key challenges facing rural communities is lack of employment opportunities, low income levels and lack of the skills required by the local economy. This can be attributed to amongst others the fact that other economic drivers are not exploited. As a result unemployment levels are very high, and many people migrate from rural areas.

Most rural youth are poorly educated in comparison to urban youth and face major health problems. In addition they have limited economic and social power to lobby on their own behalf hence need assistance to organize them. Lack of economic opportunities often results in increases in domestic violence, alcohol and drug abuse.

This output aimed at Increase in the number of rural people employed and improved household income, absorption of rural communities in labour intensive employment opportunities and improvement of household income and Improved economic livelihoods in the rural areas

5.4.1 Sub outputs

5.4.1.1 *Range of economic drivers including tourism, mining, and green economy being exploited*

While agriculture is the key economic driver in rural areas the potential of other sectors like mining, tourism and the green economy should be exploited in order to ensure diversification, accelerate economic growth and increase employment opportunities.

Rural Tourism entails agricultural, cultural, nature, adventure and eco tourism. It is experience oriented, links seasonality and local events and is based on the preservation of culture, heritage and traditions. To this end the potential new tourism projects that will enhance competitiveness of rural areas will be audited and mapped as direct and indirect tourism contribution to rural economic development. In addition interventions as identified in the Global Competitiveness Study on Product Development, which is biased towards rural areas, will be implemented.

Economic infrastructure, technology and skills development will be provided to support the agribusiness development drive on production, marketing, SMMEs in processing (light manufacturing) and trade and creating an incentive scheme(s) to support local agricultural production and value addition/agro-processing.

5.4.1.2 *Benefits of local economic development being realized at community level (including vulnerable groups)*

This is linked to output 5 on the community participation approach. Innovative BBEE models will be developed, collective approaches which empower groups such as voluntary savings and loans schemes and cooperatives, with a particular emphasis on youth. Related to this is the implementation of the CRDP job creation model, EPWP including linking, public sector projects and organizing the communities to participate in cooperatives.

5.4.1.3 *Skills needed to grow the economy being developed and retained*

Skills development is central to economic development and ensuring that communities benefit from local initiatives. However communities lack skills related to starting and maintaining business and understating of available options and legislation. There needs to be ongoing support for agrischools and agricultural colleges as well as trades. Rural development and job creation initiatives will be linked to skills development programmes in different sectors including outcome 5 on implementation of learnership programme and training of artisans. The contribution of SETAs will be important in this area.

5.4.1.4 *Enterprise development services supported (including for SMMEs and cooperatives)*

Rural communities must not only be employees but must be able to create jobs and generate income. SMMEs including cooperatives will contribute positively to ensuring rural job creation and promoting economic livelihoods. Business development support services will be provided at local level.

Another important aspect is improving access to markets and promoting local procurement by the state and large enterprises such as colleges or hospitals. Information will be provided on economic opportunities, the programme that will support farmers to link to mainstream markets, such as the municipal fresh produce markets, and an institutional buying program that will encourage public institutions such as hospitals and other private owned institutions to procure agricultural products from small farmers (linked to AgriBEE Charter).

This initiative should be linked to the review of the Integrated Food Security Policy, the finalization and implementation of the Agricultural Production Strategy that supports further development and growth of downstream agro-processing industries and the IPAP 2 implementation plan. Planning of enterprises will focus on the value

chain and support mechanisms i.e. identifying markets and other necessary business support mechanisms at planning stage and ensuring linkages with other government resources and services. Support will be needed for collective structures, such as rural producer associations or cooperatives, to assist with marketing. Economic development opportunities that are based on natural resources and indigenous knowledge need to be exploited.

5.4.1.5 *Improving access to economic services e.g. banks, post offices, transport, using new service models where needed:*

Economic services are important for rural areas, including banks, post offices. Interventions to retain these services and facilitate access will be implemented. Improvement in access roads will be important in this regard.

5.4.1.6 *Retention and expansion of employment on farms*

Incentive structures e.g. for tax, need to favour labour rather than mechanisation. Promotion of agri-villages to ensure that workers do not have to live on farms and promotion of worker productivity are some of the activities envisaged. A compact will be sought with organised agriculture to ensure that they become key partners in this sub output. Issues around strengthening commercial agriculture are covered in output 1.

5.4.1.7 Implementation

The implementation of the activities under this output and sub outputs will be carried out by a task team consisting of stakeholders as indicated in the table below.

Task team		
Lead/co-chair	Support departments	Other stakeholders
DRDLR ,	Dti, DPW, DAFF, DWA, DSD, DoL, DED, DPW, Mineral Resources, Tourism, DoCG,, DEA,DOC,DST, DEA,YDA	Provincial government departments, Local government, SOE, Public Entities, Financing institutions, Private sector, Farmers organizations, construction industry

The work under this output will also be linked to the work under outcome 4 and the economic sector and employment cluster. Related to this are activities on up scaling employment opportunities through the public sector programmes calling for all sector departments to set employment targets for rural areas. Skills development will be critical hence the need to link with the work done under outcome 5 on skills development. There will also be a need to provide infrastructure for economic development working jointly with outcome 6.

Crosscutting policy issues will be dealt with in the economic sector and employment cluster.

5.5 Output 5: Enabling institutional environment for sustainable and inclusive growth

This output acknowledges the potential impact of the challenges faced by institutions at local level on creating an enabling environment for sustainable and inclusive growth. However these institutions are not limited to government institutions. These challenges include ineffective rural local government institutions, recruitment and retention of skilled personnel particularly at higher level (section 57 officials), ineffective coordination of rural stakeholders, mobilisation of rural people to take forward development, as well as political dynamics that negatively affect the management and functioning of municipalities and service delivery in general, particularly in some of the poorer rural areas.

Poor governance systems also make rural areas to be unattractive to invest in. Related to this are weak institutions of community participation and contribution and development plans that do not address ward needs leading to communities being spectators in their own development and not benefiting from local opportunities. This has contributed to high levels of alienation (I can make no difference) and anomie (no-one cares about me) leading to unrest and lack of social cohesion.

5.5.1 Expected results

This output will contribute to rural people taking part and contributing to their development and deepening democracy, This will include establishing community structures to support social cohesion.

5.5.1 Sub outputs

5.5.1.1 Clear vision for sustainable development in rural areas which is applied in planning at different levels

Different stakeholders and spheres of government define rural areas and rural development differently. This contributes to a lack of common vision and lack of focus on the same spaces and priorities. Activities will include developing improved guidelines for planning in rural areas, auditing service delivery models and policies of different stakeholders affecting rural areas, building planning skills, and involving diverse stakeholders effectively in the planning process including joint definition and alignment of criteria and strategies for rural development, while taking the differences in different rural spaces into consideration. The contribution of the stakeholders to the finalization of the Green Paper on Comprehensive Rural Development will be crucial to the achievement of this output.

5.5.1.2 *Competent staff in key post in local institutions and section 57 vacancies in rural municipalities*

This sub output contributes to the achievement of all the other outputs and sub outputs under this outcome. Employing competent staff will contribute to improvement of service delivery and the governance systems in the local institutions including local government hence contributing to attracting economic investments to rural areas. This sub output addressed under Outcome 9, on local government, but DRDLR will support and monitor progress in rural municipalities. A framework for secondment of expertise from external stakeholders to work, mentor and transfer skills to government institutions should be developed. This will contribute to improving the quality of services making working and investing in rural areas increasingly attractive.

5.5.1.3 *Political leadership understand and play their role effectively in rural municipalities*

In order to ensure stability in local government, mechanisms for promoting political stability should be created. While this will contribute positively to fast tracking service delivery it will also contribute to building social cohesion and to reducing the levels of alienation. It will be necessary to create support systems for political leadership including training and induction and continuous refresher courses on their roles and responsibilities. This should be linked with the oversight of local government political leadership by the provincial government.

5.5.1.4 *Coherent and integrated planning and implementation across government in partnership with all relevant stakeholders:*

Integrated planning across government and involvement of agencies and private sector in development planning and implementing what has been prioritized in the rural IDPs is crucial for effective development. Key to this is establishment of local

institutions e.g. Councils of Stakeholder, district development coordinating committees to coordinate planning and implementation across stakeholders. Another area of focus is effective disaster management.

5.5.1.5 Rural communities actively taking forward development in their areas:

The success of development initiatives depends on the rural communities contributing to their development and deriving benefits from the local income generating initiatives and projects. This includes organizing them into cooperatives to give collective power and establishing community structures to support social cohesion and development, functional ward committees, community participation in the development of ward plans and implementation of development projects.

5.5.1.6 Traditional leaders working effectively with local government to take forward development:

The role of the traditional leaders and their institutions in rural development as custodian of the land and their relationship with rural villages cannot be overemphasized, particularly in more remote communities. It is therefore important that they not only be seen as partners but their role be clearly defined and that they are empowered to contribute to development in their villages

5.5.1.7 Implementation

The Minister’s performance agreement provides that he will provide support to outcome 9. Relevant activities under this output will be aligned and coordinated through structures set up by the coordination department (DoCG). The implementation of additional activities under this output and sub outputs will be carried out by a task team consisting of stakeholders as indicated in the table below.

Task team		
Lead/cochair	Support departments	Other stakeholders
COGTA and DRDLR	DTA, DAC, SRSA, Provincial DoCOG Provincial depts. with rural development function, SRAC, YDA	SALGA, MDB, ward committees, CDWS, Local Government, NGOs, CBOs, NPOs ,social and sports clubs and bodies

The provision of infrastructure will be linked to the job creation & skills development

(under outcome 4 & 5 and output 1 & 4 under this agreement). Where linkages have been established with relevant outcomes policy issues will be dealt with in clusters where those outcomes are discussed after consultation with the relevant coordinating departments.

Crosscutting policy issues will be dealt with in the Governance and Administration Cluster.

6. ACTIONS NEEDED TO ACHIEVE EACH OUTPUT

The section below highlights interventions and changes required to achieve each of the outputs.

6.1 Output 1: Sustainable agrarian reform, with a thriving small and large farming sector

What will need to be done differently?

The focus will be on

- Providing support to local associations, producers and cooperatives and promoting and facilitating preferential procurement by government and retailers of produce from small holder farmers
- Implementing an extended and inclusive (Agriculture, Forestry, Fishery) extension recovery plan through amongst others provision of recent information, modern technologies, and provision of basic tools to collect information, using a diversity of extension models
- Improving the efficiency of water use and use of appropriate irrigation technology to minimise wastage
- Reforming water allocation rights to promote equitable share of water by all and maintain a balance between reserve and use

It is important to start by ensuring that the set of services envisaged above starts in areas with large numbers of small farmers.

6.2 Output 2: Improved access to affordable and diverse food

What will need to be done differently?

In order to deal with challenges related to shortage of food the following initiatives will be undertaken:

The integrated food security policy should be reviewed to ensure that it is linked to programmes that have an indirect impact on food security in order to ensure maximum impact and include provisions that ensure procurement of local produce including agricultural products linked to government nutrition programmes.

Standards on the allocation of land for houses should be reviewed to ensure that the size of land allocated for individual houses include a portion earmarked for the establishment of household food gardens

Households, communities and local institutions like churches, clinics and schools should be supported in order to produce food for household consumption, and establishment of village & community markets to facilitate accessibility and affordability of food. Related to this is strengthening the competition policy along the value chain in order to prevent collusion and increased food prices.

The Food Insecurity and Vulnerability Information Management System must be reviewed and rolled out the nationally to include early warning on risks associated with drought, floods and climate change.

There is a need to establish improved local storage facilities e.g. food banks and food preservation plants linked to local agricultural production to deal with challenges related to the shortage of food, especially in the case of disaster, losses and deterioration of food.

The Integrated Food Security Policy should be reviewed to involve and commit all relevant stakeholders.

The existing integrated food security task team should be used as an implementation structure reporting to the Implementation Forum. However it should be expanded to include other programmes that have indirect impact on food insecurity. Relevant external stakeholders e.g. competition commission & farmer organisations should be represented to deal with relevant issues including food prices.

The Non Governmental Organisations (NGO), non profit organisations (NPO) and Community Based organisations (CBOs) will be mobilised to provide support and

transfer skills for backyard food production and institutional food gardens in line with the incentive programme of DPW.

Evaluation of the legislative environment and existing regulatory framework output 1&2

Review and align the Water Services Act, National Environmental Management Act, Sustainable Use of Agricultural Resources Bill, and Environmental Conservation Act, all land reform legislation, Land Use Management Bill and Trade Policy Framework of DTI in relation to Agriculture and Act 7 of 1970 to align with objectives of BEE, empowerment and rural development.

Evaluation of the Funding framework output 1&2

Different government departments offer some type of direct financial assistance to support farmers e.g. DAFF grants and provincial budget of DAFF Recapitalisation Grant from DRDLR and DWA water subsidies. In addition, institutions such as the Land Bank, including MAFISA set up to aid farmers, have not lent any substantial benefits to farmers.

DAFF both National and Provincial will provide budget for food security and some funds will be from the DRDLR in line with the CRDP model.

In the case of water for food production the Department of Water Affairs will provide resources for water harvesting. Alternative approaches of providing water for households that occupy traditional houses should be explored.

Programmes that have an indirect contribution to food security e.g. social assistance will contribute through for example ensuring household income and availability of financial resource to purchase food. However for monitoring and evaluation purposes there needs to be a system of planning, categorisation and quantifying the contribution of each of these programmes to food security.

There should be mechanisms for allocating budgets from the municipal infrastructure grant for establishing small local/village markets that allow community members to sell products at local level to generate income for small scale local producers and hence reduce the costs of food and travelling to town.

6.3 Output 3: Improved rural services to support livelihoods

What will need to be done differently?

There is a need to adopt a common definition of rural areas/municipalities and identify common geographical areas of focus by all stakeholders. This should be done in consultation between COGTA, DRDLR, provincial government and Local government. Related to this should be agreement on a common vision for rural areas.

Due to the unintended consequences of the uniform approach to applying legislative, fiscal and policy instruments that do not consider different challenges that must be confronted in their own right COGTA indicates that municipalities will be 'segmented' or 'classified' according to a number of assessed variables and criteria. Thus a much more realistic, differentiated and effective approach is needed over the longer-term.

The local government turnaround strategy (LGTAS) introduced the groundwork for a new model that develops and expands the existing categorizations to include more emphasis on socio-economic conditions, spatial specificities and performance. The proposed Municipal Spatial Classification System develops municipal profiles according to functionality, socio-economic profile and backlog status. This system, together with current classification systems can be further analysed and tested to allow for a comparison of differentiation systems. Subsequently it will be possible to arrive at an informed framework within which to manage difference – for levels of capacity need, and intervention and support as well as for reviewing the assignment of powers and functions. (**Source: *outcome 9 delivery agreement***)

Service delivery models used by stakeholders should be adapted to be appropriate for rural areas. Where models are nonexistent new ones should be developed building on local knowledge and taking sector policies, norms and standards, the unique challenges faced rural communities into consideration. New service delivery models include:

The National Rural Youth Service Corps that is being established to play a strategic role in the transformation of rural communities through a six point plan including Civic Education and Training; Household and Community Profiling, Youth Employment, Young Farmer and Rural Arts and Culture Programme. Youth centres constructed and integrated in One-Stop Development Centres of the department of social development..

The Rural Development Monitors (RDM) “Rangers” that act as foot soldiers interacting with the rural communities, collecting information on rural development initiatives at the village level and providing feedback to the department (including land use or lack thereof; project implementation etc). Mechanisms for aligning the work of the rangers with the Community Development workers programme will be created.

The Para-development specialists who are stationed at ward to level identify and take advantage of economic and social opportunities working with other state agencies and extension workers.

Intensify the implementation and align the war on poverty campaign sites with the Comprehensive Rural Development so as to attack the challenges faced by rural communities both at household and community level, ensure that communities graduate from poverty to self reliance. The household profiling initiatives will include collection of baseline data on service delivery working closer with .Rural Youth Service Corps.

While the key focus of this output is on household services the service delivery models will also focus on access to infrastructure and services for socio economic development in order to attract investors to rural areas. Linkages will therefore have to be made with the infrastructure (outcome 6) and output 4 under this agreement. In addition support will be provided to outcome 9 in creating enabling institutional environment for sustainable and inclusive growth (output 5 under this agreement).

The provincial departments of Human Settlements / Housing, Environmental Affairs and Local Government should develop and implement a comprehensive plan to support municipalities to increase household access to waste management and refuse removal services. A national support programme is required to assist municipalities to develop, implement and monitor the Waste Management Plans of municipalities (**source outcome 9 delivery agreement**)

Evaluation of the legislative environment and Existing regulatory framework

There will be a need to review legislation and regulations that impact negatively on service delivery, good governance and access to services and procedures that delay initiation of projects

Policies, legislation and strategies related to provision of services sit in different sector departments and the three spheres of government including departments that have concurrent responsibilities calling for consultation and observing of

intergovernmental relations. To this end sector policies/strategies across spheres should be aligned towards a comprehensive rural development policy & strategy

Access norms and standards differ from department to department depending on the service to be offered at times making it difficult to provide services to sparsely populated communities. This calls for consultation in developing and implementing innovative and adapted service delivery models especially if they impact on the work of another department, however, it is important to be realistic in terms of what is feasible and appropriate in providing services without compromising the rights of the citizens as outlined in the Bill of rights.

While the Intergovernmental Framework Act provides for ways of managing relations within the three spheres of government there is no legislation that provides for interdepartmental cooperation making it difficult to bind and enforce commitments made by sector departments.

The monitoring and evaluation of the implementation of the delivery agreements should include indicators on how partners cooperate with other stakeholders as an enforcement mechanism.

The impact of powers and functions between district and local municipalities on achieving this outcome, particularly those related to provision of water, will need attention.

A framework for managing and cooperating with external stakeholders including mechanisms for managing and monitoring implementation and compliance need to be developed. The framework should define conditions for secondment, skills transfer and mentorship by experts from outside government to government institutions.

Evaluate the existing institutional arrangements

Programmes aimed at providing services and related infrastructure are coordinated by different Implementation Forums and Clusters and cut across different outcomes. This calls for institutional arrangements that will address these complexities. The table below shows some examples of the institutional arrangements.

Services/Programmes	Cluster: Cross cutting policy issues	Implementation forum	Outcome
Rural development and food security including agricultural infrastructure	ESEC and SP&HD	MINMECS	7
Infrastructure including Transport	Infrastructure Cluster	Infrastructure Cluster	6
Housing including services e.g. sanitation	Human Settlement Cluster	MINMEC	8
Access to services and coordination of infrastructure funding	G&A	MINMEC	9
Health services	Human Development Cluster	Human Development	2
Education services	Human development Cluster	Human Development	1

Issues around coordination of services and infrastructure are covered under Output 5 of this agreement.

At Local Government level there is a range of coordinating structures that have impact on planning and implementation of programmes/projects. Consulted municipalities suggest that the IDP representative forum is the most appropriate coordinating structure but it has not been successful in ensuring integrated service delivery and integrating community needs.

A thorough evaluation of existing institutional arrangements in the water sector with regard to WSAs, WSPs and Water boards must be undertaken to improve the provision of water and sanitation services. Powers and functions of Water Services Authorities and Water Service Providers need to be reviewed. The role of Water Boards needs to be more clearly defined in the relevant legislation.

Whilst the *reticulation* of electricity is the function of municipalities in terms of the Constitution, the prevailing moratorium on the issue of distribution licenses means that unlicensed municipalities are compelled to rely on Eskom. There is a need to enforce the requirements for Eskom to sign a Service Delivery Agreement with municipalities in the absence of the licenses. The reallocation and delegation of powers as well as required institutional arrangements will be finalised once the restructuring process has been completed (Source outcome 9 delivery agreement).

Funding framework

There is a need for higher levels of investment in rural areas to overcome historical backlogs while using cost-effective models of infrastructure and service delivery. In addition funding models should allow diverse delivery mechanisms including non-government, social coops, private sector etc where government is a funder, sets standards and coordinates, rather than actually deliver services. If this model is expanded it will provide much greater impact on the local economy.

Sector departments will be expected to provide both financial and technical support for interventions directed in line with their mandates and identified sub outputs and activities. External stakeholders will be mobilized to provide additional financial resources.

Funding to deliver water and sanitation infrastructure is available through the MIG, PIG and BIG in the existing budgets but need to be aligned according to priority infrastructure needs. However, it is limited in its attempt to address all existing backlogs. This gap will be partly filled through the mobilization of private sector funding by municipalities with support from the SPV. A detailed cost analysis needs to be made to confirm the quantum of funding required with the relevant sector department.

Support should be provided towards the accelerated refuse and waste management implementation. Municipalities need to prioritise waste management projects in their three year budgets.

6.4 Output 4: Improved Employment Opportunities and Economic Livelihoods

What will need to be done differently?

The following initiatives need to be introduced or strengthened in order to achieve this outcome:

-
- Establish SMME, cooperatives, green jobs, and relevant initiatives identified in the IPAP 2 including scaling up the Expanded Public Works Programmes of all sectors to contribute to rural job creation & economic livelihoods
 - Recapitalise farms in distress including provision of economic and agricultural infrastructure, technology and mentorship through experts and between commercial and emerging farmers to improve agricultural production
 - Increase youth employment through the Rural Youth Service Corps, Rural Development Monitors (RDM) “Rangers”, Para-development specialists and other innovative models of service delivery
 - Exploit sectors like mining, tourism and the green economy to diversify and accelerate economic growth and increase employment opportunities through skills development initiatives. This will include the development of Integrated Rural Tourism Development Strategy.
 - Facilitate accessibility of finance and financial institutions to people in rural areas including mobilising resources from private sector and Development Finance Institutions.

The work that was initiated in the nodal areas should be assessed and intensified in line with the CRDP approach, capitalising on the opportunities identified in the nodal economic profiles to accelerate the achievement of the targets set in this agreement. Related to this should be follow up on the agreements reached during the Growth and Development Summits that were conducted in the rural district Municipalities.

Evaluation of the legislative environment

Employment creation will be governed through the country labour laws to ensure that employee’s rights are not violated, but systems are needed to ensure that there are incentives for employers to take on staff, and that employment is not so onerous that employers seek to mechanise rather than employ staff. The DRDLR is also in the process of finalising legislation related to protection of the farm workers and farm dwellers. This legislation will also have a positive impact on the employment conditions of farm workers.

Evaluation of the existing regulatory framework

Guidelines and/or regulations that guide and govern implementation economic development and income generating activities have been developed in different sectors. Key to this is regulations related to short term employment e.g. EPWP. In

some cases regulations might have to be reviewed ensure improved access by rural communities.

Government procurement policies have to be reviewed to ensure that service providers awarded tenders include local people during the implementation phase local SMMEs, cooperatives etc, and maximising local employment generation. This should be complemented by continuous building of a pool of skilled people.

Initiatives to align the implementation of the Economic development initiatives with the Provincial Growth and Development Strategies and the Growth and Development Agreements arising from the Growth and Development Summits (conducted by rural district municipalities) should be supported.

Evaluate the existing institutional arrangements

The interventions under this output will be coordinated through the Economic Sector and Employment Sector Cluster (outcome 4). Cross cutting and policy issues will be dealt with in the same cluster

Linkages will also be made with the infrastructure cluster, outcome 6, to deal with issues related to economic infrastructure and outcome 5 on issues related to skills required by the economy.

Funding framework

Resources will be mobilized from both the internal and external stakeholders (private sector and SOE). Interventions related to job creation and EPWP will be funded from allocations directed to rural areas by different stakeholders including public sector interventions, the incentive scheme of the DPW, the Community Works Programme aimed at creating access to a minimum of 2 days a week (100 days a year) targeting the poorest areas with limited job opportunities and some CRDP initiatives i.e. commitments will be linked to interventions. Technical support should be provided by all stakeholders and enabling conditions for deployment /secondment of external experts to local institutions to support and transfer skills should be created. Benefits should also be derived from the Skills Development Fund and labour intensive projects implemented through the MIG.

6.5 Output 5: Enabling institutional environment for sustainable and inclusive growth

What will need to be done differently?

Regarding this output the coordinating Minister of outcome 7 contributes to outcome 9 where it concerns rural municipalities. Interventions aimed at achieving output 5 should therefore be aligned with those outlined in outcome 9. In order to achieve this output the following need to be done:

The challenge for implementation will be to ensure that differentiation becomes an intrinsic concept informing the system of cooperative governance, and the policy frameworks for functional and capacitated government that emanate from new directions in planning, support and fiscal arrangements.

The level and quality of basic services is largely dependent on a professional core team that is able to plan and administer the delivery of essential services. This audit will would seek for a segmentation process in order to establish patterns and identify locations of greatest need that warrant a differentiated approach. Related to this will be development and publishing and communicating guidelines for the recruitment in critical posts to all prospective applicants (**Source outcome 9 agreement**).

All relevant outputs, and sub outputs should be included in the performance agreements of senior managers of institutions at local level including Local Government Institutions. This should include reporting on utilisation of funding and grants in addressing developed rural wards plans.

Partnership should be established with tertiary institutions to train suitable qualified personnel to work in local institutions. This should be linked with provision of incentives for working in rural areas.

Support systems for political leadership should be created including training, induction and oversight by provinces to enable them to understand their role. In addition a framework for participation and contribution of Traditional Leaders in rural development should be developed.

Stakeholders should be mobilized to support empowerment of communities to participate in initiatives in line with local opportunities and to be self-reliant and take charge of their destiny through leadership training and social facilitation for socio-economic independence and productive use of assets. Related to this

support measures should be created to ensure that 90% of ward committees are functional by 2014, including induction and continuous training.

Projects that build rural people's human and social capital in addition to building their physical, financial and natural capital are essential for reducing poverty. The capacity of Community Based Organizations (CBOs) and Community Development Forums (CDFs) will be strengthened for sustainable and inclusive growth. In addition the youth structures within communities to be strengthened to participate effectively in community development.

A Special Purpose Vehicle (SPV) for municipal infrastructure will be established to assist in mobilising private sector funding and to provide targeted support to municipalities. The SPV will support with the planning and expenditure of CAPEX and OPEX in municipalities and consolidate the provision of hands on support to low capacity municipalities and improve accountability for such support (**source: outcome 9 delivery agreement**)

Mechanism for dealing with rural disaster in including support mechanisms in cases of risks affecting agricultural production and rural industries should be introduced and rural communities should be empowered to prevent and deal with disaster. Communities also need to be empowered to manage the ecosystems and protect them from exploitation by powerful outsiders. Listening to communities' own perceptions of environment and development problems and solutions will be essential for integration of indigenous knowledge in solutions.

A targeted disaster risk management and reduction programme will also be implemented to sustain service delivery and developmental programmes. To this effect, the DRDLR will establish Rural Disaster Mitigation Units in all nine provinces to oversee and support the implementation of rural disaster mitigation programmes.

Evaluation of the legislative environment

Several pieces of legislation that will need to be amended or are in the process of being amended have been identified. These include:

- Finalising the Land Use Management Bill
- The Single Public Service Act needs to be finalized
- Review and strengthen the legislative framework for Ward Committees and Community Participation
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended should be reviewed in order to
 - Review the roles and responsibilities of different role players (Speakers/Councilors /CDW's/Traditional Leaders, etc);

-
- Regulation of the establishment processes and ensuring balanced representation at ward level and harmonising relationships of various stakeholders at ward level

Whilst the IGFR Act lays out the formal consultative structures required at each sphere of government and provides a way for all three spheres to work together to interpret national priorities, it does not stipulate how intergovernmental planning specifically is to be managed. This is one of the reasons why the IGFR Act may need to be revised, or absorbed into a broader Act on cooperative Governance, that provides the scope for a more nuanced regulatory environment for planning (**outcome 9 delivery agreements**)

Evaluation of the existing regulatory framework

Procurement regulations need to be amended to ensure community participation and benefits at local level. A number of municipalities have taken forward funding of ward committees, usually through a vote within the municipal account for a ward. Methodologies exist for ward planning e.g. community-based planning approved by SETA and Local area Planning introduced by the Independent Development Trust.

A framework for secondment of expertise from external stakeholders to work, mentor and transfer skills to government institutions should be developed.

Evaluate the existing institutional arrangements

Currently the powers and functions of municipalities are assigned according to the Constitution and the legislative framework as above. The capacity of municipalities to perform their functions is assessed by the Municipal Demarcation Board (MDB), and recommendations for assignment transfers are approved by the MECs for Local Government.

The spatial realities of a municipality are reflected through the spatial development frameworks of the IDPs, and the grant funding is provided through the Division of Revenue Act, largely through the Municipal Infrastructure Grant and the Equitable Share.

Capacity support to municipalities is not sufficiently coordinated, resulting in an inability by national to realistically assess the relevance, impact and value-for-money of support programmes.

As part of the Green Paper process on Cooperative Governance, key inter-governmental institutional structures and mechanisms impacting on local government will be assessed.

A funding model for Ward Committees will be developed to include issues related to training, out-of-pocket expenses, resources for their offices, enabling facilities; etc. The model should include funding of Speakers office for managing ward committees

Key is establishment and participation of communities in institutions e.g. Councils of Stakeholder in developing ward plans and implementing development projects and CRDP initiatives. Ward committees should not work as structures on their own but their representatives should be part of community structures implementing some of the projects arising from ward plans, channeling relevant community needs to local government structures, linking communities with government services and acting as part of early warning systems. Mechanisms of linking these activities with overall government initiatives should be developed.

The role of the traditional leaders and their institutions in rural development as custodian of the land and proximity to the rural villages, particularly remote villages cannot be overemphasized. It is therefore important that they not only be seen as partners but their role be clearly defined. To this end a framework for participation and contribution of Traditional Leaders in rural development should be developed.

Funding framework

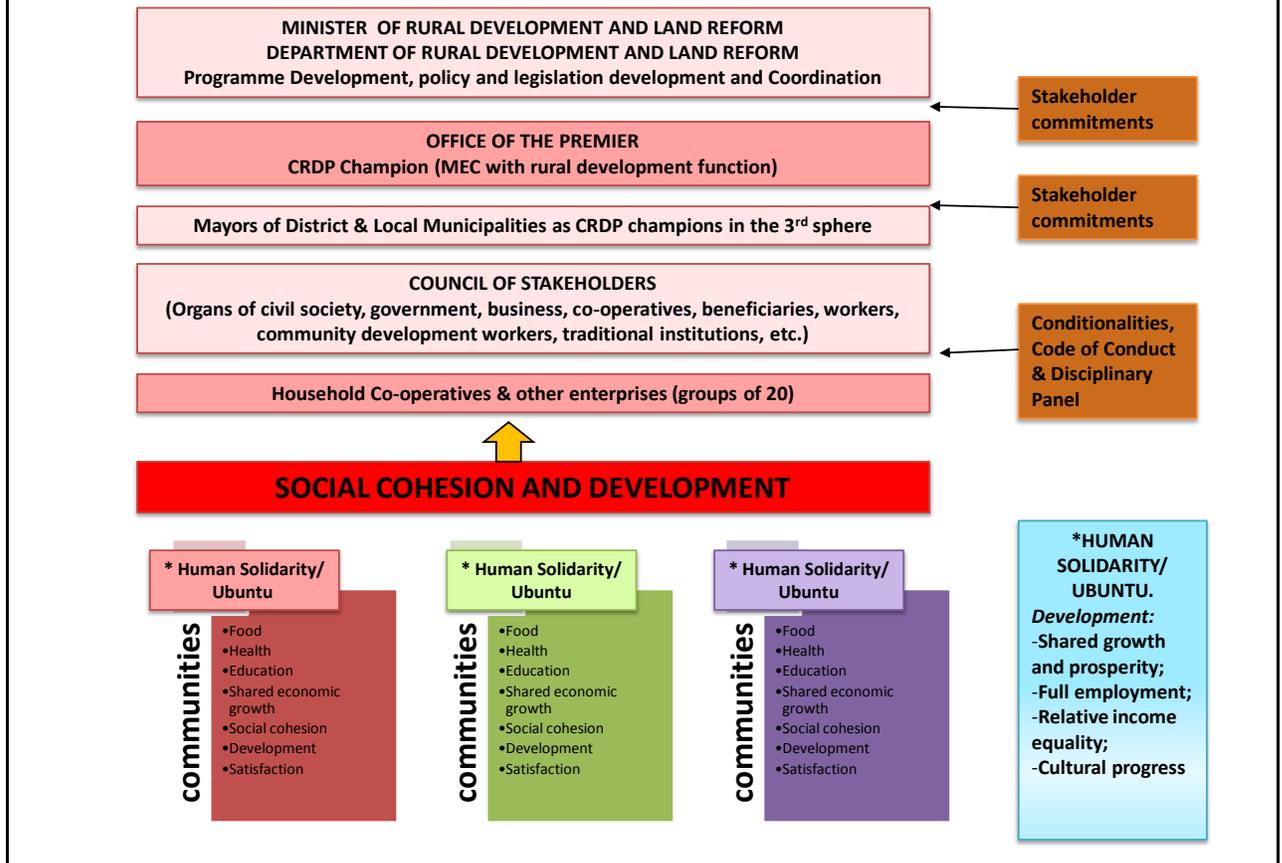
The budgets of municipalities vary significantly according to the funded mandates, the share of MIG and the Equitable Share, the revenue from services and the broader resource base of the municipality. These variables inform the priorities to ensure that the review of the intergovernmental fiscal system results in a deeper understanding of these spatial and functional differences, with resource support varying accordingly.

A key assumption informing the review of the inter-governmental fiscal system is that resource allocation to local government is not sufficiently equitable and supportive of poorer rural municipalities. This will receive priority attention going forward.

Management systems

The management systems for outcome 7 are captured in the following diagram:

CRDP MANAGEMENT SYSTEM



At local level A **Council of Stakeholders** consisting of members of community based organisations, NGOs, social partners, sector departments, local government structures (ward committees and community development workers, traditional institutions) is established to:

- enforce compliance with the conditionality's for the state support to the CRDP beneficiaries;
- ensure compliance to the agreed code of conduct and support the implementation of the disciplinary code and;
- Be responsible for planning and implementation of projects together with the CRDP technical committees and play an oversight and monitoring role

The Council of Stake holders is configured around the government clusters (economic, infrastructure development, governance and admin, justice crime prevention and security, social security and community development). Their composition is dependent on the needs and potential and opportunities identified in the area.

In the case of output 5 the Integrated Development Plans (IDPs) are the primary tools that municipalities use to manage its space and its resources. Currently the significant variance in the ability of a given municipality to comply with IDP processes, reporting, budgeting, human resource and technical management demand shift in policy to allow for reduced obligations in poorly-performing entities.

Going forward the annual review of IDPs and the Performance Management Systems of municipalities will focus more sharply on key municipal management systems, processes and skills.

There will be a need to develop intergovernmental protocols across the three spheres of government in line with the provisions of the Intergovernmental Framework Act.

A Framework for Management of Joint Programmes and the Single Public Service Act that was initiated by the G&A Cluster need to be finalised taking the outcome based monitoring and evaluation approach into consideration.

Rural development activities that will be implemented under output 4 of this agreement will also be included under outcome 4 activities that the DRDLR chairs. . Mechanisms for linking with outcome 6 and 5 will be determined in the same cluster however this will not limit the coordinating department from linking directly with outcome 5 and 6 coordinators where it relates to other outputs under this outcome.

7. GOVERNANCE AND REPORTING ARRANGEMENTS

At Executive level the outcome will be coordinated by the Implementation Forum consisting of the Minister of Rural Development and Land Reform as a Coordinator, Ministers of the core participating departments, MECs of the Departments of Agriculture and Rural Development – Public Works in the case of the Free State Province and District Mayors.

At technical level outcome will be coordinated by the Implementation Forum consisting of the Director General of the Department of Rural development and Land Reform as a coordinator, Director's General of the core participating departments, Heads of the Departments of Agriculture and rural development – Public Works in the case of the Free State Province and the District Mayors.

8. SIGNATORIES

Name: _____ Date: _____ 2010

Minister of Rural Development and Land Reform

Name: _____ Date: _____ 2010

Minister of Agriculture Forestry and Fisheries

Name: _____ Date: _____ 2010

Minister of Co-operative Governance and Traditional Affairs

Name: _____ Date: _____ 2010

Minister of Trade and Industry

Name: _____ Date: _____ 2010

Minister of Science and Technology

Name: _____ Date: _____ 2010

Minister of Finance

Name: _____ Date: _____ 2010

Minister of Higher Education and Training

Name: _____ Date: _____ 2010

Minister of Transport

Name: _____ Date: _____ 2010

Minister of Mineral Resources

Name: _____ Date: _____ 2010

Minister of Economic Development

Name: _____ Date: _____ 2010

Minister of Public Works

Name: _____ Date: _____ 2010

Minister of Public Enterprise

Name: _____ Date: _____ 2010

Minister of Energy

Name: _____ Date: _____ 2010

Minister of Tourism

Name: _____ Date: _____ 2010

Minister of Labour

Name: _____ Date: _____ 2010

Minister of Communication

Name: _____ Date: _____ 2010

Minister of Arts and Culture

Name: _____ Date: _____ 2010

Minister of Water and Environmental affairs