



PARLIAMENTARY
MONITORING GROUP

MONITOR

A monthly briefing sheet to keep communities informed about what is happening in Parliament

Did you know?	Land and emerging farmers
<p>Government has partnered with local banks to accelerate the rollout of the new Smart ID Card. The Department of Home Affairs has issued over one million Smart ID Cards and has set out a target of issuing another 1.6 million cards by end of March 2016.</p> <p><i>First Things First</i> is a voluntary HIV testing, counselling and education campaign aimed at public higher education institutions. The initiative encourages students to know their HIV status and live positively. Read more about the campaign here http://heids.org.za/programmes/first-things-first/</p> <p>In December 2014, the employment tax incentive supported the employment of over 216 000 young workers, from a peak of 268 000 in August. In 2013/14, the EPWP created over one million jobs of varying duration. To date, the Jobs Fund has created 30 701 permanent jobs and trained 75 163 work seekers</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Government unveiled a mobile app for the South African Government website. It allows users to view, among others, the latest available jobs in the public service; tender bulletins; news and radio bulletins; information on services like renewing your driver's licence or renewing your car licence disc.</p> </div>	<p>Parliament held public hearings in February to assess the Recapitalization and Development Programme (RADP) of the Department of Rural Development and Land Reform. RADP was created in 2009 because land reform projects were not successful and farms were lying fallow, with little or no post-settlement support, and many had been sold, which was directly contrary to the aims of land reform.</p> <p>The RADP targeted farms acquired through the Restitution and Redistribution programmes, to make them productive, to re-grow black commercial farmers as a group, to reduce rural to urban population movement, and contribute to food security and job creation. Black emerging farmers were provided with infrastructure and basic resources, and mentorship and share equity via the RADP.</p> <p>Despite the good intentions, the RADP has many challenges, such as deviations from approved business plans, non-compliance with tax legislation by farmers, and fraudulent activities by farmers and strategic partners. Lack of clarity and misunderstandings about criteria led to many improperly benefiting. Administrative failures led to inability to plant on time, and mismanagement and corruption were apparent in both partners and farmers.</p> <p>An evaluation had been done, based on a survey of 640 people in the sector. This found that the objectives were too ambitious and the grant funding approach not sustainable. It recommended that the funding model be changed and there should be recognition that a standard model is not appropriate.</p> <p>The Department is in favour of a change to loan funding, to make repaid funds available for on-lending again. It intends to train RADP beneficiaries, introduce stronger co-management and share equity. So far, the RADP covers 1 459 farms and over one million hectares. It will continue with the programme, pending a complete overhaul.</p> <p>The public hearings confirmed the positives and negatives. Emerging farmers were appreciative of the assistance given that helped them become commercial farmers, but they had only managed this by strong persistence to handle the administration and poor communication with the Departments. Others felt the programme could undermine people's rights on the land they occupied, because of the heavy emphasis on productivity. They said that their strategic partners were often in a stronger contractual position who saw the partnership as a conduit to funding and inflated prices. Lack of leadership, and insufficient emphasis on job creation, were common complaints. Although production increased, access to markets did not.</p> <p>Comments were made about the dominance of major players in some markets. One farming association suggested that large groups should be broken down and buyout options were needed for dormant beneficiaries. A trade union pointed to ongoing exploitation of farm workers. Costly problems in managing commonage were noted. There were worrying indications of "elite capture", mentors had to be properly remunerated, and clear differentiation was needed between commercial ventures, for which RADP was appropriate, and farming only, for which it was not.</p> <p>The Department is, until May, reviewing all current projects and will help provincial and district offices with capacity. It said that the need for assistance will always outstrip resources, which is why it wants to diversify.</p>

Local Government issues

The Department of Human Settlements admits to a substantial backlog in housing lists, allocations, title deeds, plus problems of double-dipping and corruption. It says that new legislation, policies and guidelines are needed to ensure that any allocation of houses follows the correct lists and criteria, that special needs are catered for, and that title deeds are provided. It is running education campaigns to ensure that those allocated houses remain in them, and do not immediately rent out or sell and move to another province to try to claim again. It also wants to emphasise the difference between being registered on the Needs List for shelter, and on the housing subsidy list. It is working with municipalities and provinces to assess their staff needs and training and to transition to more transparent processes.

A report on local government spending of their grants up to September 2014 showed that seven grants, in the Departments of Health (facility revitalisation), Agriculture (Ilima/Letsema), Arts and Culture (community libraries), Sport (mass participation) Education (Dinaledi Schools and Technical Secondary Schools) and the National Health Insurance Grant had failed to spend to the level expected. Reasons included poor planning and slow procurement. It was pointed out that if these plans were submitted on time and in the correct way, spending could be faster. Reporting was also a problem, most departments lacked capacity to monitor, and some lacked technical skills to implement the grants. National Treasury suggested that Parliament should call in national and provincial departments to report on their spending of grants.

The Department of Cooperative Governance briefed MPs on proposed changes to the Disaster Management Act. In many municipalities, little or no capacity for disaster management currently existed. The changes aim to rectify this by establishing capacity to implement disaster management. Also the National Disaster Centre will become a government component.

The Municipal Infrastructure Support Agency helps municipalities with planning, developing action plans to help with challenges, holding site visits, and helping to plan cash flow. It had discovered that there was significant wastage through over-design of projects, and had managed to step in to get stalled projects moving again. MPs asked many questions on whether value for money was received from their grants, and why municipalities are not collecting debts but instead are relying on grants from Treasury.

The Department of Cooperative Governance has emphasised the need for stability in local government, is intending to process a bill dealing with intergovernmental monitoring, support and intervention, and will be specifically focusing on Municipal Public Accounts Committees to ensure that they work efficiently. It will be encouraging a culture of payment to municipalities by communities. Its "Back to Basics" campaign is emphasising the need to put people and their concerns first, supporting delivery of municipal services of the right quality and standard, promoting good governance and accountability, sound financial management and administration.

A register will be created to prevent those acting illegally in one municipality resigning and moving to another. The Minister suggested that MPs explore how councillors should be appointed in the future, as they must be able to hold officials accountable, to be responsive to the public and do their work, particularly ensuring well functioning municipalities that would be able to attract business investment to their areas, whilst also giving attention and encouragement to small businesses. The Minister agreed that land invasions were not acceptable but stressed the need for municipalities to think ahead about their spatial planning.

The Minister of Finance announced in his budget speech that funding for basic services provided by municipalities have been prioritised, despite the constraints. A new approach is proposed for cities, to support their growth and restructuring and strengthen infrastructure investment. The grants

for infrastructure will give special attention to maintenance of infrastructure, so that the gains made over the past 20 years continue to be enjoyed by all over the life of these assets.

The President's State of the Nation Address focused on the need for Water and Sanitation infrastructure development programmes, an action plan for water and sanitation for areas affected by water shortages and drought, special attention to 24 priority districts and hotspots, and on water conservation through fixing leaks to prevent water loss.

The Department of Water and Sanitation says that it is addressing all these, with a focus on skills development, job opportunities, and promoting water saving. It says that ageing infrastructure is perhaps the greatest challenge in trying to save water. There is coordinated planning to systematically replace old equipment. In many cases, water is not available because of vandalism or theft of infrastructure, pipes and taps by communities. Often a problem in getting water-to-tap is due to lack of skills in local government.

This Department is intervening at "crisis level" in Bushbuckridge, trying to provide piped water holistically, to industry and individuals, and to promote communication between councillors and constituencies. It emphasises the need for collaborative planning across all spheres. It is investigating new technology for taps, pipes and schemes to overcome theft. Much of the infrastructure is supporting at least ten times the population it was built to serve, because of influx into areas.

MPs emphasised the need for cooperation between the Departments of Human Settlements, Water and Sanitation and Cooperative Governance on water issues.

Efforts for Small Business (SMMEs) and Cooperatives

SMMEs contribute more than 40% of GDP and account for more than 60% of all employment in South Africa, but the 2013 Global Entrepreneurship Monitor Report showed that South Africa still performed poorly in creating new entrepreneurs, and, once created, they have problems in getting access to markets, finance, infrastructure support and coordinated developmental help.

Big businesses were invited to Parliament in March to explain how they were **improving access to markets** for SMMEs and cooperatives. *Massmart* told Parliament that it has a small in-house supplier development unit to identify SMMEs and bring them on board, with preference to black- and women-owned enterprises. *Howa Holdings* said it aims to revive rural development, create jobs and feed people through sharing know-how, working with local traditional leaders and municipalities. *Woolworths* makes products in partnership with SMME suppliers, which it says improves diversity in the supplier base and focuses on localisation. *Business Unity SA* said it concentrates on making proposals to simplify the regulatory environment, implement commitments to make payments within 30 days, make government procurement opportunities more accessible to small businesses, streamline tender processes, improve transparency, reduce corruption, and provide access to finance. MPs are proposing that a working group be set up between the Department of Small Business Development (DSBD), MPs and representatives from retail and food processing sectors, to understand the nature of the challenges and dynamics, and to foster transformation.

The National Empowerment Fund (NEF) says black entrepreneurs lack access to capital to penetrate larger markets. Ideally, R2.6 trillion investment is needed, although current levels are at around R6 million. The NEF has asked again for an investment input of R10 million to allow it to leverage more funding for SMMEs.

Manufacturing Competitiveness Enhancement Programme (MCEP) is an emergency package of up to R50 million to revive and sustain the manufacturing sector, which must be finalised by March 2018, so applications are being accepted up to 2016. It is not designed to support new companies, but help existing ones to do investment projects or upgrade equipment. It may help some small businesses. It is centred on production incentives and industrial financing loan facilities through the Industrial Development Corporation. A company must be a Level 4 BBBEE contributor, or likely to reach that within two years, must show likelihood of profit and retention of jobs. A particular focus will be in agro-processing, a growing industry in both urban and peri-urban areas, because so much machinery in this sector is being imported. Recipients are not usually obliged to repay the grant.

The Agricultural Policy Action Plan, announced in the President's State of the Nation Address, is a joint effort between government and the private sector to bring 1 million hectares into full production over the next three years.

Detailed action plans and timeframes are given to revitalise the agriculture and agro-processing value chains. It is hoped that this can increase the numbers of smallholder producers to 400 500, and raise the value-add by 2% per year, to R48.9 billion, whilst decreasing input costs like fuel, fertiliser and machinery. It hopes to create significant jobs. The performance of smallholder producers will be tracked, while the Department of Agriculture (DAFF) will invest amounts into bulk-water supply, in-field irrigation and into leveraging the private sector. It aims to establish 27 agri-parks.

Trade agreements for export of maize and apples to China have been arranged. DAFF is eliminating some of the current duplications with the National Agricultural Marketing Council and in reporting, and setting up norms and standards for producer support.

The Department of Small Business Development (DSBD) and Department of Energy has agreements aimed at opening space for SMMEs and cooperatives to operate in the clean energy sectors, particularly through the solar water heater (SWH) programme, from manufacturing to maintenance. Although this programme requires 70% local content, only seven South African companies (five are small enterprises) are certified to produce at the moment and Limpopo and Mpumalanga have no local content producers. 200 SMMEs have been set for manufacturing and installation over two years, with the DSBD and SETAs providing training skills, and municipalities identifying people to do repairs, giving priority to youth, women and military veterans.

Previous problems with the programme with the reduction of energy demand, imports of low local content, and poor quality of installation and maintenance are being addressed in the new model. This also focuses on reducing electricity consumption, and social upliftment through training. R700 million has been allocated to allow local manufacturers to increase their production to meet local demand. MPs were pleased to hear of initiatives but wanted more figures, details on how different climatic conditions affected the working of the SWHs, long-term solutions for provinces that could not manufacture, and cost and value received.

Tourism also has huge potential for SMMEs, although it seems that more energy-wise solutions are needed for accommodation establishments and this is where many SMMEs fall short. Government ministers are encouraged to use graded tourism establishments owned by previously disadvantaged persons. There is not yet certainty on whether the Tourism Enterprise Programme, which supported programmes on skills and business development, may be revived.

Over the next 3 years, **Government** will spend R3.5 billion on mentoring and training support to small businesses.

SARS is establishing Small Business desks in its revenue offices to assist these companies in complying with tax requirements.

Important Legislation Updates and Challenges

The Criminal Law (Sexual Offences) Act is being amended to bring it in line with a Constitutional Court judgment that found that sections 15 and 16 of the Act infringed on the rights of adolescents to human dignity, privacy and the "best interest" principle. Adolescents who engage in consensual sexual acts will not be prosecuted, provided there is no more than a two year age gap between them; if there is, a decision must be taken by the Director of Public Prosecutions whether to prosecute. An adult engaging in sexual acts with a minor, even if consensual, is still liable to be charged with statutory rape or statutory sexual violation. Consensual sexual conduct between those older than 12 but younger than 16 will be decriminalised, in line with the *Teddy Bear* court case, but this does not mean the age of consent is being lowered. Child offenders were not previously given the chance to make a statement whether their names should be put on the National Register for Sex Offenders, but now the court will have the discretion whether to make such an order, after the accused is given the opportunity to address the court. Other amendments relate to removal of details from the Register. The Portfolio Committee expressed concerns that not enough representative submissions had been made, particularly on the 12 to 16 issue, and extended the call for more comments and will be approaching the Constitutional Court to grant an extension to beyond the April 2015 deadline to finalise the Bill.

The Mineral and Petroleum Resources Development Amendment Bill, passed in haste at the end of the last Parliament, has been sent back to Parliament by the President, because of four grounds of reservation. It has been suggested that it is possibly unconstitutional for the Minister to amend codes, charters and standards, which might amount to amending legislation. There are concerns that the Bill may contravene the international General Agreement on Trade and Tariffs around export. It was felt that the short time for the NCOP to consider this Bill did not comply with the requirement for meaningful public participation, and there had been no consultation with the National House of Traditional Leaders (NHTL), despite the Bill affecting customary law and traditional communities. Although Parliamentary Legal Advisors did not agree on all these reservations, they did concede the merit in the procedural challenges. During discussions, parties highlighted that other concerns had also been raised with the President, notably the fact that public hearings happened before some very important changes were made to the Bill, on which the public had no chance to comment, although this could be remedied if the NCOP held hearings. Other concerns were the failure to table a minority report to the House, and concerns that the 20% free carried interest amounted to a tax, although the Money Bills procedure was not followed. It was pointed out that there were likely to be problems when consulting the NHTL, because of the clauses restricting their ability to consent or object to mining rights on communal land. Finally, there were concerns about the effect on the oil and gas industries, broad discretion, and designated pricing, which some MPs suggested were tantamount to seizure of designated materials or expropriation. Members were divided on whether the Bill should be withdrawn, pointing out that the ultimate decision on constitutionality lay with the Constitutional Court, but did agree on the need for consultation not only with the NHTL but also with communities living on and outside traditionally controlled land, and agreed on the need for referral back to the NCOP.

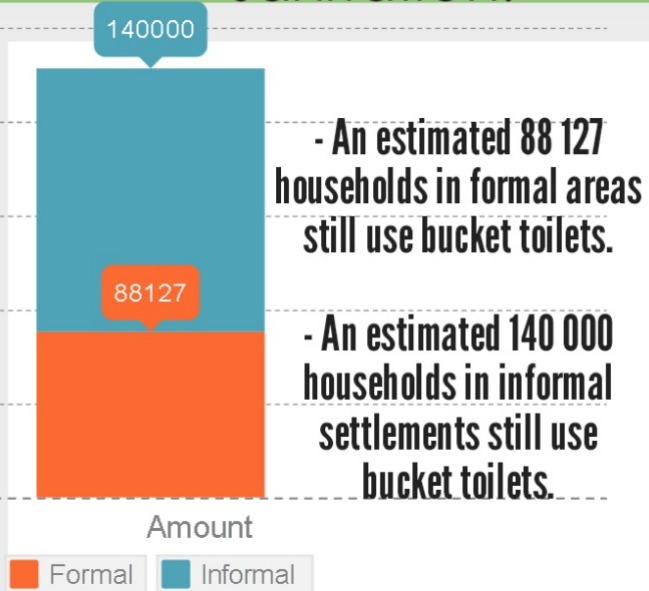
A DRAFT Refugees Amendment Bill has been prepared, to give effect to the Constitutional Court decision in the *Mail and Guardian* case about the accessibility of refugee appeal hearings, and to give the Refugee Appeal Board more discretion. It should be introduced to Parliament by the end of the year. **Meantime**, a Refugee Reception centre is being established in Lebombo, Mpumalanga, 6 km from the border. It may be a while before it is ready, as it needs to be re-zoned, so the Department of Home Affairs might establish a temporary structure. MPs were critical of the long delays and suggested that, given the backlog in applications, it did not make sense to centralise, but rather that more sites had to be opened to allow those who had moved in the meantime to have their Section 22 permits renewed locally instead of travelling back to the border. The closure of the Cape Town and Port Elizabeth offices is still being decided upon by the court. Opposition MPs pushed very hard for a costing and were eventually told that the feasibility study suggested R22 million from 2016 to 2018.

The Maintenance Amendment Bill, still under discussion, makes some quite far-reaching amendments aimed at reducing the problems with the current system, making it easier to track and get maintenance defaulters to pay. It will prevent maintenance defaulters from receiving credit. A maintenance officer will be obliged to investigate a matter, with a view to setting up a maintenance enquiry, where agreements were not made into an order of court. Electronic service providers, such as cell phone companies, may be asked to give the court contact information on their named customer defaulters. The beneficiary can be asked to comment on any applications to have maintenance reduced or discharged. During public hearings, commentators pointed out that harsh penalties, including imprisonment, were self-defeating, and suggested alternatives such as withholding important documents to persuade defaulters to pay. It was emphasised that maintenance involved money, time and energy, and any changes must be geared to improving the lives of the children. The South African Law Reform Commission is still busy investigating a complete overhaul of the legislation and will be asked to consider public comments that do not deal directly with the content of this Bill.

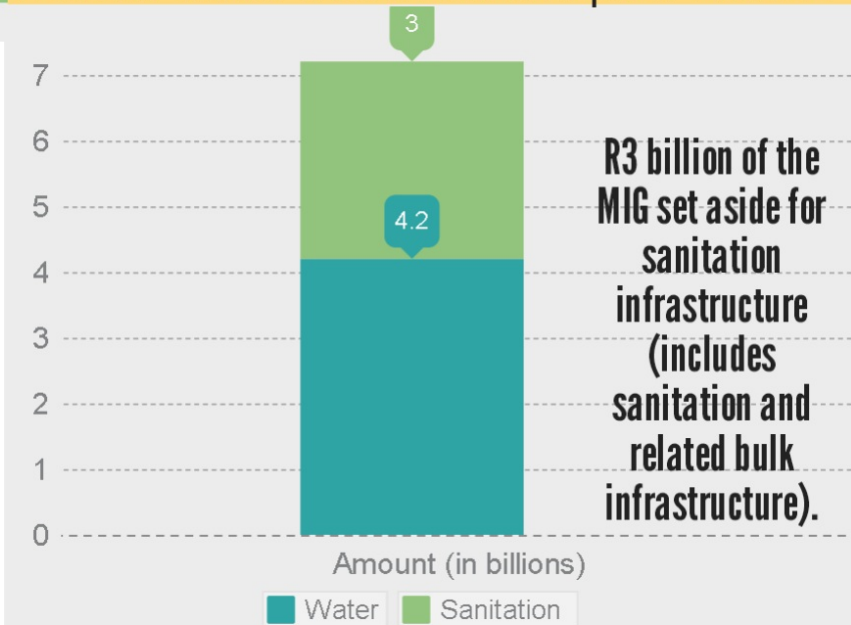
Bucket Eradication: Progress made so far - 2015



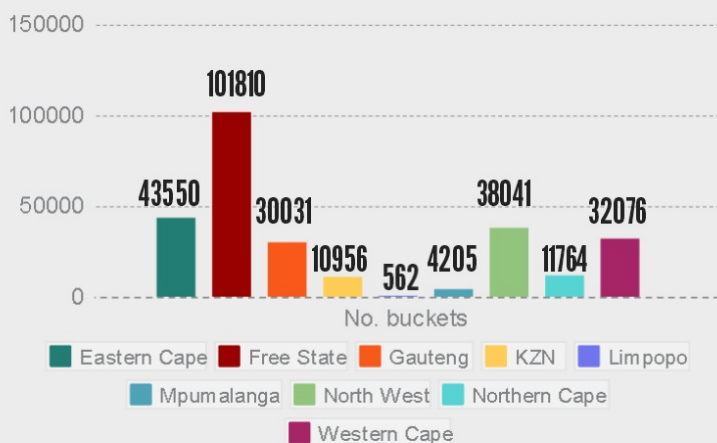
Use of bucket toilets as a form of sanitation:



Municipal Infrastructure Grant (MIG) funding for water and sanitation provision



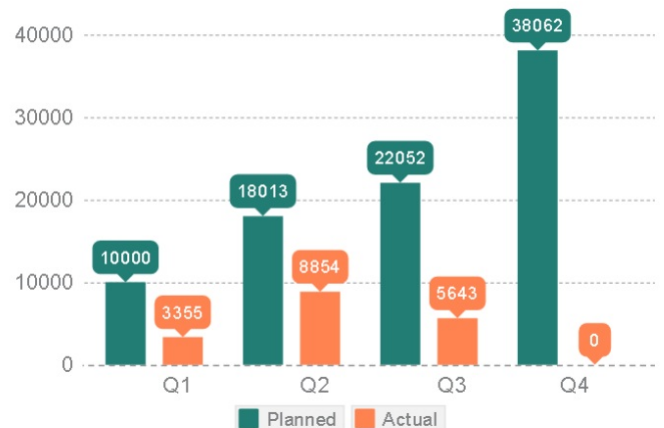
Number of bucket toilets per province:



According to a presentation made by the DWS last year, there were 272,995 bucket toilets spread out across all provinces, with the Free State accounting for 37 percent of all bucket toilets.

Source: Department of Water and Sanitation presentation to Portfolio Committee on Water and Sanitation, 11 March 2015.

Bucket Eradication Programme: Quarterly targets versus delivery, 2013/14 and 2014/15



There are significant sanitation backlogs in Northern Cape, Free State, Eastern Cape, Limpopo, and the North West. Only 20% of the Overall target was achieved.

**** Q4 - Actual bucket eradication = 0**