



Advancing Democracy, Growth & Development – The Imperatives Of Integrated Rural Development In The Province Of The Eastern Cape

A Report on the Rural Development Summit Umtata – 05 & 06 October 2000



Global Life Building
Corner Phalo Avenue & Circular Drive
Bisho

Phone: (040) 635 1590/3

Fax: (040) 635 1571

Email: info@ecsecc.org

1. PREMIER'S ADDRESS

Any development strategy must take into recognition the Province's limitations and capabilities. It must forever strive for a good balance between social stability and development on the one hand and transformation to democracy and self-determination (as opposed to dependency on hand-outs) on the other hand.

Development must also be guided by an integrated and common approach by all three spheres of Government. This will maximise use of limited resources and also add quality as well as quantity to outcomes. In our Province, historical imbalances between the Western and the Eastern parts must be taken into account. The Western region is better endowed (economic developmentally speaking). The gap can only be narrowed through the development of the productive forces. The Western region must be encouraged to accelerate its economic development. But policies must be developed to bolster the economy of the eastern part. Available natural resources must be utilised and non-available infrastructure provided.

But above all, the irregular agricultural production must be attended to. The upgrading of the agricultural structure and system must be attended to so as to increase productivity. We must improve our capacity to feed ourselves and our neighbours. As productivity improves and the quality of the products becomes better, the income levels of the farmers and peasants will also improve. Cottage and village industries will develop. The lives of our people will improve.

This calls for: a common vision; priorities that all identify as such; the will and readiness by ALL sectors to make a positive contribution; and lastly – the requisite resources for making it happen. These are easy challenges for a people with a passion to work for the success of all. I believe that such people are not lacking in our Province.

The Rural Development Strategy Summit is indeed a milestone in qualitatively enhancing and practically realising the vision contained in the Reconstruction and Development Programme (RDP), the Provincial Growth and Development Strategy (PGDS) and a whole range of other related legislative initiatives at both national and provincial level.

Since the initiation of the process of formulating a Rural Development Strategy for the Eastern Cape in April this year, I have witnessed the maturation of a political will not only within and between Provincial government departments but between government, labour and other social partners committed to drive forward an integrated rural development strategy.

Such a strategy is not simply necessary for the realisation of economic growth, employment creation and social development in our Province alone, but an imperative that confronts our country as a whole

I move now to share a few of my perceptions of where we are at and where we need to move as a Province with respect to rural development.

To begin with, it is a well known fact that the Eastern Cape is a predominantly rural province characterised by extreme levels of poverty, landlessness, huge infrastructure backlogs, economic stagnation and unemployment.

However, while significant progress has been made and a number of lessons learnt, we have simply not addressed the above challenges with adequate scale and impact.

Having said so, I would like to stress that whilst it is possible under existing circumstances to craft attractive and compelling strategies, such strategies will remain worthless in the absence of an enhanced and resolute commitment to address challenges identified.

What is required is a holistic approach that cuts across class, race, and sectoral interests.

The above might sound idealistic but in the current context we have no choice but to seek a minimum working consensus on what our true rural development needs are.

In addition, what is required is a fundamental clarification of the roles and responsibilities of social partners, including, and this needs to be stressed, the rural poor in the process of rural development.

Without any intention of pre-empting the next speaker, I would like to encourage all present here to:

- Guards against collapsing into sterile theoretical and ideological debates without practically identifying and addressing concrete issues that confront us;
- Work towards greater cohesion and integration among various departments and agencies involved in rural development;
- Crystallise concrete resolutions for immediate implementation; and
- Build on our existing strengths rather than fixate on our weaknesses.

Having said so, I would like to say that our motto as the Provincial Government is "Development Through Unity". I believe that through this initiative our vision of rural development will be realised.

All of us should join hands to make a real difference to the millions of our people who have been trapped in poverty for more than three hundred years.

REV. M.A.STOFILE
PREMIER: EASTERN CAPE

2. RURAL DEVELOPMENT CHALLENGES

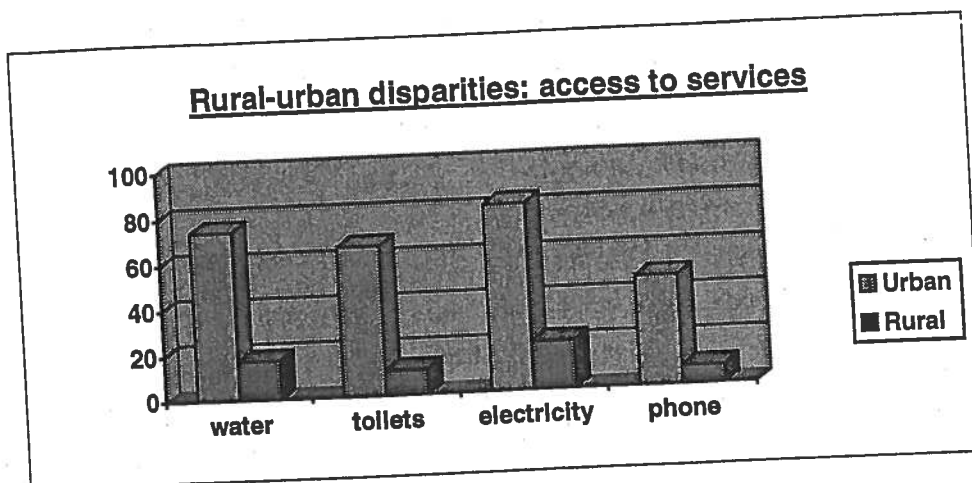
Hundreds of years of underdevelopment resulting from colonial and apartheid policies have left enduring structural legacies in the province. This historically-induced structural crisis has been deepened by the current global capitalist crisis and advance of neo-liberal globalisation which has served to limit the range of options for a more radical restructuring of the South African political economy. This situation has presented a number of key development challenges for a provincial integrated rural development strategy, including among others: continued high levels of poverty, especially in our rural hinterland; huge disparities with regards access to services and provision of infrastructure; sub-optimal levels of private and public sector investment in rural areas; the continued economic decline in key sectors; rising unemployment; insufficient integration and co-ordination in rural service delivery; and below threshold levels of institutional and technical capacity, especially in the rural areas of the former Transkei and Ciskei.

2.1 High levels of poverty

The Eastern Cape is a rural province with some 65% of the population residing in rural areas. Poverty is concentrated in the rural provinces of the country, especially the Eastern Cape, the Northern Province, and the Free State. While being home to just 50% of South Africa's population, rural areas have a poverty share of 71% of the country's poor (CSS Income and Expenditure Survey, 1995). Similarly, within the province, poverty is most concentrated in the rural areas, especially the former homeland areas which comprise a disproportionately high number of women and youth. The Eastern Cape is by far the poorest province in the country. The recently released "Measuring Poverty" Report (StatsSA, 2000), found that the Wild Coast and the Kei District Council areas are the poorest in the country, and that we are home to 28 of the 30 poorest magisterial districts across all provinces.

2.2 Infrastructure backlogs and unequal access to services

Apartheid underdevelopment has left the province with enormous infrastructure backlogs (roads, housing, health, education, telecommunications, water, sanitation, electricity etc). The Eastern Cape has recently been ranked by Statistics South Africa (Measuring Poverty Report) as the province with the largest infrastructure and service backlogs (see Integrated Rural Development Framework Document, 2000 for details). These infrastructure and service backlogs are most severe in the rural areas of the former homelands, as suggested in the following figure which illustrates rural-urban disparities for South Africa as a whole.



Source: Poverty and Inequality Report, 1998

2.3 Rising unemployment

The 1996 Census found that the Eastern Cape has the highest levels of unemployment in the country, having an unemployment rate of 48,5% compared to 34% for South Africa as a whole. Women account for a disproportionately high number of the unemployed, comprising 54% of the provincial population but holding just 45% of jobs. Furthermore, the census found unemployment to be concentrated in the former Transkei and Ciskei areas of the province, where more than three-quarters of the economically active population was found to be unemployed in many rural towns and villages. These growing levels of unemployment in the province can be explained by the (1) general economic decline which has beset the province since 1980, and which has seen population growth outstripping economic growth and job creation; (2) higher capital to labour ratios in production (especially in manufacturing and agriculture); and (3) public sector restructuring. Consequently, declines in employment levels have been most marked in agriculture, manufacturing, and community and social services.

2.4 Economic decline in key sectors

The province's economy experienced a net decline of more than 15% in GGP between 1982 and 1993, from which it has been unable to recover in a context of intensified globalisation, deregulation, and increased competition, especially for domestic markets. The impact of this economic slump on the province has been uneven, with the former Transkei and Ciskei being particularly hard hit, partly as a result of disinvestments by companies which had been attracted to the so-called growth points by decentralisation incentives. To compound matters, the former homeland economies have also been hard hit by the ongoing retrenchments in the Gauteng mining industry. Economic growth, where it has occurred, has been uneven and almost entirely concentrated in the urban centres of Port Elizabeth and East London.

The economic sector which has perhaps been most adversely affected is agriculture. In 1980 agriculture contributed 11,6% of provincial GGP and employed 148 000 persons; in 1991 this had fallen to 6,3% and by 1996 had fallen to an all-time low of 3,6% employing just over 70 000 persons. Agriculture in the former Transkei and Ciskei remains at sub-optimal levels. The 1997 Rural Survey found that only 3% of households in the former

homelands derive their most important household income from farming. Reasons for this include problems of land access and secure land tenure, and the historic lack of financial and technical support offered to small-scale farmers.

While manufacturing output has remained more consistent and accounts for more than one quarter of provincial GGP, it needs to be noted that more than 90% of manufacturing activity within the province takes place in Port Elizabeth and East London. This reflects the need for a more diverse manufacturing strategy which extends activities into the impoverished rural areas, and establishes linkages with the agricultural sector, for example around beneficiation and agro-processing.

Besides manufacturing, the other major economic sector in the provincial economy is the community and social services sector which contributes 27,3% of provincial GGP and employs just under 30% of the formally employed. However, in many rural towns this sector contributes up to three-quarters of output and employment, indicating the high levels of dependence on government. This underlies the need for the state to create an enabling environment for diversified economic development.

2.5 The lack of integration and co-ordination in rural service delivery

Since democratisation in 1994, the Government has put in place a number of key programmes which impact on rural development. These include programmes in the areas of infrastructure development, land reform, agriculture, industrial and economic development, spatial development initiatives, health, poverty alleviation, human resource development, as well as building institutional capacity in local government. In some cases, programmes have retained an urban bias in the face of the dire need for delivery in rural areas. In other cases, service delivery has been frustrated by insufficient integration and co-ordination across government departments and between different tiers of government (national, provincial and local). The reasons for this are complex, and relate in part to the absence of clear strategic planning frameworks, institutional arrangements, and problems of implementation capacity at the point of delivery. As a result, the socio-economic impact of service delivery is not being optimised, and important in the context of fiscal restraint, targeting and budgetary prioritisation is not being sufficiently co-ordinated across departments and tiers of government.

2.6 The lack of technical, financial and institutional capacity and support

District councils and local authorities in rural areas of the province have been operating at below threshold levels of capacity. These institutional constraints have meant that the local state has been unable to fulfil its developmental mandate which includes local-level co-ordination of infrastructure and service delivery as well as economic development planning and facilitation. This has been most evident among small rural TLCs and TRCs which have been under-resourced and unable to generate revenue due to the lack of taxing powers and declining levels of affordability in constituent communities. Furthermore, councillors and communities have not sufficiently engaged with IDP/LDO planning processes, with the result that they have tended to be consultant-driven, with IDP tools often being applied in a mechanistic way. There has tended to be little integration of development planning and integration between towns and their rural hinterlands, which has been counterproductive to the development and growth of local economies.

Compounding the crisis of the local state is the absence of an integrated network of specialised technical and financial support institutions, especially in the underdeveloped rural areas of the former Transkei and Ciskei. National development finance institutions such as the Development Bank of Southern Africa, the Industrial Development Corporation, the Land Bank, and Khula Finance Limited are directing too little money and technical support into the underdeveloped areas of the province. This relates to the cost-recovery orientation of the development finance institutions, and the lack of credit-worthiness and ability to generate bankable business proposals by the local authorities and organisations applying for assistance. There are a host of other research, technical support, and donor organisations which, to varying degrees, play a facilitative role in rural development. Included here are public institutions such as Ntsika, the Agricultural Research Centre (ARC), the Centre for Scientific and Industrial Research (CSIR), Cimec, and Ecsecc; international aid agencies such as DFID, GTZ, UNOPS, and UNDP; as well as a number of institutes attached to universities in the province (ARDRI, ISER, RRD1 etc). However the lack of co-ordination and integration among and between these technical support agencies and other stakeholders such as government has meant that their efforts have been somewhat dislocated and have not been able to translate into a critical mass of technical and financial support for rural development.

3. THE NEED FOR AN INTEGRATED RURAL DEVELOPMENT STRATEGY

It is against this somewhat bleak background that the general self-criticism has emerged amongst Government and the social partners that, to date, both the state and market have failed to reverse these trends in the context of intensified globalisation, deregulation and international competition.

This has led to the emergence of a broad-based consensus on the need for an integrated rural development strategy for the province. This has seen the unfolding of a process, initiated by the Premier, through which a multi-stakeholder steering committee was constituted to drive and oversee the formulation of the provincial strategy. The steering committee is comprised of the Director General, four MECs (Finance, Agriculture and Land Affairs, Education, and Public Works), the CEO of the Eastern Cape Development Corporation, and representatives from labour and the NGO sector. Secretariat, research and co-ordination support to the steering committee has been rendered by the Eastern Cape Socio-Economic Consultative Council (ECSECC).

The first outcome in the process to develop an integrated rural development strategy for the province was the production of a Rural Development Framework Document. This document provides a situation analysis of the rural political economy of our province, and suggests four key terrains of intervention necessary for any substantive rural development strategy.

4. TERRAINS OF INTERVENTION

4.1 Policy development

On the understanding that the national and provincial policy environment remains partial and fragmented, the Framework Document identified the need to create a more enabling policy environment for integrated rural development. This includes identifying and remedying policy gaps, prioritising policy interventions, designing policy and legislative instruments to give effect to a provincial integrated rural development strategy, and establishing effective provincial mechanisms to monitor, control and support the implementation of the strategy.

4.2 Programme design and implementation

The focus of this intervention is on enhancing the impact of current programmes being implemented by Government, as well as designing new programmes where gaps exist. After extensive discussions with Government and other key stakeholders, it was decided to package current and proposed projects in the following programmatic format:

- **Rural Economic Development** - Integrated Livestock and Crop Farming Project; Rural Livelihoods Project; Restructuring Agricultural Parastatals/Co-operatives Project; Economic Infrastructure Development; Bulk Infrastructure for Key Rural Towns; Economic Regeneration of Key Nodes in Rural Hinterland.

- **Institutional Support** – Technical and Capacity-Building Support for Local Government; Economic Development Planning Support for District Councils.
- **Land Reform** – Restitution; Disposal of State and Church Land; Integrated Land Reform and Agriculture Project; Post Settlement Support.
- **Rural Safety Nets** – Community-Based Public Works; Poverty Alleviation; Food Security; Streamline Rural Pensions; Aids-HIV; Social Infrastructure; Rural Access Roads.

4.3 Technical, financial and institutional support

The Framework Document argues that the Eastern Cape lacks a sufficiently developed and integrated network of specialised technical and financial support institutions to enable rural development. This suggests the need to critically assess competencies and capacities across technical and financial support institutions in the province; identify gaps and weaknesses; explore possibilities around developing pacts between key institutions in the province; build a provincially-co-ordinated network of specialised technical and financial support organisations; and harmonise and focus donor and development finance interventions in the province.

4.4 Democratic participation

The Framework Document notes that unless a critical mass of consensus is built among and between stakeholders around the formulation of the integrated rural development strategy, the effective and efficient implementation of programmes which emerge from the strategy will be compromised. Indeed this logic has been central to the process of evolving an integrated rural development strategy, through the constitution of a multi-stakeholder steering committee to drive and oversee the strategy process; through presentations at workshops with civil society organisations such as the churches, organised labour, women's groups etc; and finally through the Rural Development Summit itself, which allowed stakeholders to engage key aspects of the strategy and evolve concrete resolutions for action.

The Framework Document further notes the need for enhanced interaction between local community-based participatory organisations and intermediate structures such as municipalities and district councils. This will have the twofold function of consolidating and deepening democracy, as well as enabling the kinds of local-level participation in project planning and implementation necessary for long-term project sustainability. Finally, the document suggests the need to explore the establishment of district level development coalitions to enhance collaboration between strategic sectors of civil society and the various tiers of government.

5. RURAL DEVELOPMENT SUMMIT

Following the production of this conceptual framework, it was felt that there needed to be a more co-ordinated mobilisation of concrete suggestions in each of these four terrains. The process of harnessing concrete resolutions culminated in a Rural Development Summit, held at the University of Transkei in Umtata on 05/06 October 2000. The Summit placed rural development firmly on the policy agenda, and was attended by a wide range of policymakers, rural development practitioners and resource people from the Deputy President's Office, provincial government departments, district councils and local authorities, NGOs, the labour movement, the churches, academic institutions, other technical and research organisations, donor agencies and development finance institutions.

Presentations were made by the Premier, the Office of the Deputy President, the CEO of ECDC, and the MECs for Agriculture and Land Affairs, and Housing and Local Government, after which participants broke into commissions structured along the four terrains of intervention mentioned above. After much discussion and debate, a number of concrete and actionable were distilled.

6. RESOLUTIONS

6.1 Commission 1: Policy development

Resolution 1.1: Creating an enabling regulatory framework for integrated rural development

Noting that:

- Co-operative governance envisaged by the Constitution is not fully functional in the actual delivery of projects and programmes;
- Implementation of programmes and projects is fragmented, lacks coherence, and results in unnecessary duplication and the unequal distribution of resources;

Believing in:

- The need to enhance the capacity of Provincial Government to enable rural development in the Province;
- The important regulatory and policy development function played by Cabinet Clusters and Standing Committees;

We hereby resolve to:

- Motivate for Cabinet Clusters within the Provincial Cabinet to adopt rural development as a priority focus area, and enable their regulatory functioning through the provision of relevant and strategic information;

- Capacitate the relevant Standing Committees in the Provincial Legislature to enable them to more effectively monitor and regulate the implementation of the Integrated Rural Development Strategy;
- Ensure the central co-ordination, monitoring and evaluation of rural development interventions by the Office of the Premier together with other relevant development and policy agencies such as ECSECC, and capacitate such institutions to effectively undertake this function;
- Enhance inter-governmental co-ordination between national and provincial departments and district councils and where necessary legislate to ensure such co-ordination;
- Enhance the functioning of the Inter-Governmental Forum, vis-à-vis the implementation of the Integrated Rural Development Strategy.

Resolution 1.2: Institutionalising the Rural Development Summit

Noting:

- The value that the social partners in civil society have added to the formulation of an Integrated Rural Development Strategy in the province;

Believing in:

- The continued and enhanced co-operation between Government, labour, business, NGOs and other social partners in civil society;

We hereby resolve to:

- Institutionalise the Summit, to be periodically convened by the Premier, to ensure accountability and transparency in the implementation and monitoring of the strategy.

Resolution 1.3: Developing legislative instruments to enable integrated rural development

Noting:

- The need to translate policy into practice;
- The need to develop appropriate legislative instruments to enable the successful and effective prosecution of the Integrated Rural Development Strategy;

Believing in:

- The importance and integrity of the legislative process;

We hereby resolve to:

- Develop an enabling provincial legislative framework to unlock existing and potential bottlenecks, particularly in the areas of land reform, access to capital, and the creation of an enabling institutional environment, all of which are essential ingredients of an effective integrated rural development strategy.

6.2 Commission 2: Programmes

Resolution 2.1: Enabling participatory economic development

Noting that:

- The Eastern Cape province has been in an economic slump since the early 1980s, experiencing a net decline of 15% in GGP between 1982-1993;
- That economic performance and employment in key sectors such as agriculture is sub-optimal (employment down 52% from 1980, and GGP down 8% relative to other sectors);
- The province has experienced a significant loss of jobs since 1980, and currently has the highest unemployment rate in the country (48,5%) with the former bantustan areas having an unemployment rate of as high as 71% (StatsSA, 1996 Census);
- A disproportionately high number of women make up the ranks of the unemployed, comprising 54% of the provincial population but holding just 45% of jobs;
- The impact of this economic slump has been uneven with the former Transkei being hardest hit, compounded by ongoing retrenchments in the Gauteng mining industry;
- Economic growth, where it has occurred, has been concentrated in East London and Port Elizabeth;
- Attempts by government and private sector over the past five years have not been able to reverse these trends in a context of intensified globalisation, deregulation, and increased competition for domestic markets;

Believing In:

- The need to create an enabling environment for economic development and growth which creates jobs;
- The need to reinvigorate and enrich democratic economic planning at local, district, provincial and national levels;

We hereby resolve to:

- Expand the Integrated Livestock and Crop Farming Programme, especially with respect to activities in the Kei and Wild Coast District Council areas (DC 15), and to broaden the scope of the programme to include cattle, indigenous goats and high value crops;
- Under the direction of the Centre for Investment and Marketing in the Eastern Cape (Cimec), assemble task teams to co-ordinate the production of business plans in the following economic sub-sectors – aquaculture, tourism, small-scale forestry, arts and craft, bee-keeping, medicinal plants, sports development, game ranching, recycling enterprises, mining, alternative energy, transport services, and agro-processing;
- Ensure that economic programmes are conceived and implemented within the framework of international best practice with respect to sustainable natural resource management;
- Prioritise and mobilise additional resources for rural economic infrastructure development and maintenance consistent with the requirements of an intensified rural economic development programme;
- Encourage the integration of LDOs and IDPs at a district level;
- Enhance district level planning with respect to economic development through identifying comparative and competitive advantages, and through exploring the potential to transform existing and potential linkages between agriculture and manufacturing, with the view to develop robust agricultural-manufacturing complexes;
- Integrate district planning into a provincial economic development framework that reverses the bi-nodal nature of economic development at a provincial level and sets itself tangible objectives and targets with respect to GGP growth, investment, savings, capital-intensity, fiscal balance and trade;
- Strive to achieve all of the above in an inclusive participatory and democratic way that draws upon the competencies and creativities of all the social partners.

Resolution 2.2: Fast tracking land reform

Noting that:

- The pace of land reform in rural areas is too slow;
- There is little integration of land reform with district-level economic and development planning;
- The provision of security of tenure to the rural poor in the former bantustans has taken far too long;
- Post-settlement support for land reform beneficiaries, especially with regard to the development of agriculture, is inadequate and that the Department of Agriculture and Land Affairs is under-funded in this regards;

Believing that:

- Land reform and especially security of tenure forms the basis for any successful rural development strategy;

We hereby resolve to:

- Speed up the implementation of state land disposal especially where former farm workers and restitution claimants are already in *de facto* possession e.g. Gwatyu, Guba and Victoria East;
- Fast track private land acquisition to enhance black subsistence and commercial agriculture through the identification of available land and the repeal of the Subdivision of Land Act 70 of 1970 which prevents the subdivision of farms at present;
- Move land reform from simply redressing past injustices into a developmental mode that sees land reform as the foundation of an integrated developmental approach;
- Promote an active participation in land reform at local, district and provincial level;
- Develop within the constraints of regional differences a co-ordinated and integrated approach to land reform which puts the district councils at the centre of land reform implementation through their LDO/IDP processes, with strategic inputs from the provincial Department of Agriculture and Land Affairs, the national Department of Land Affairs, and the Regional Land Claims Commissions;
- Encourage the integration of land reform programmes with District and Local government LDO/IDP processes so as to facilitate forward planning and budgeting for post-settlement support with regard to planning, project management and the provision of basic services;
- Ensure that an adequately funded DALA implements developmentally orientated extension services where there is identified agricultural potential, and local economic development planning support where agriculture is not viable (for example in the Western districts of the Eastern Cape);
- Speed up the finalisation and implementation of the Land Tenure Bill so as to provide secure tenure for the rural poor, especially in the former bantustans.

Resolution 2.3: Building a vibrant and sustainable co-operative movement

Noting:

- That the ANC-led Government and the trade union movement is programmatically committed to building a co-operative movement;
- A policy review is currently underway at national government level to reform co-operative policy and legislation;

- Within the Eastern Cape province, an initiative has been undertaken involving the Restructuring Authority, the Department of Land Affairs and Agriculture, COSATU and the Eastern Cape Socio-Economic Consultative Council (ECSECC) to explore possibilities of restructuring the province's agricultural into self-reliant and sustainable co-operatives;

Believing:

- Co-operatives need to be nurtured from below as part of a co-operative movement for sustainability;
- The state has an important role in enabling, incentivising and supporting a co-operative movement;
- Co-operatives are development instruments that can be used in various sectors and branches of the urban and rural economy.

We hereby resolve to:

The Eastern Cape Government, through the Office of the Premier and in collaboration with ECSECC, co-ordinates the development of the co-operative movement in the province through:

- Exploring policy incentives such as the creation of a venture capital fund for co-operatives, tendering privileges and provincial tax holidays for co-operatives;
- Providing the necessary financial and human resources to the Provincial Restructuring Authority to contribute to a co-operative conversion strategy for agricultural parastatals and projects;
- Providing direct state support to apex organisations for education of co-operative members and the public, training for self-management, capacity and policy development;
- Commissioning the necessary policy research to enhance the development and expansion of co-operatives in the Eastern Cape;
- Adopting a set of operational guidelines for policy implementation that will not undermine the autonomy and self-reliance of the co-operative movement;
- Fast-tracking land reform such that the transfer of ownership also benefits the co-operative movement;

Resolution 2.4: Creating an integrated rural transport network

Noting:

- Rural communities suffer high transport costs, and do not have access to reliable, safe and efficient transport;
- The absence of an effective rural transport network is an impediment to rural economic development;

- The absence of a provincial transport strategy which can inform multi-year planning towards developing an integrated rural transport network;
- Road transportation is the most utilised form of transport in the freight business; that dangerous chemicals and substances are transported by road; and that road transportation is resulting in excessive road maintenance costs;
- Our Province has railway infrastructure that is under-utilised, and that there exist many rural towns and villages which anchor their livelihood on such serviced railway lines;

Believing that:

- An integrated rural transport network is vital to realising the vision of the provincial rural development strategy, namely to improve the quality of rural lives, and to create a vibrant rural economy;

Hereby resolve that:

- The provincial Department of Transport, within the short-term, develop an integrated rural transport strategy that builds upon the National Department of Transport's Moving South Africa strategy and the national rural transport strategy (which is currently being formulated);
- The provincial Department of Transport provide institutional support to under-capacitated district councils to enable implementation of the recommendations of the province's Rural Access Road Study;
- The provincial Department of Transport packages projects which are in line with the vision and strategic thrust of the integrated rural development strategy, and which can be fed into the province's multi-year budget planning cycle;
- Effective co-ordination be facilitated between departments and tiers of government to ensure that transport planning does not happen in isolation from infrastructure and economic development planning;
- The existing feasibility study into developing a railway line between Umtata and East London should be supported and resourced.

6.3 Commission 3: technical, institutional and financial support

Resolution 3.1: Mobilising and co-ordinating resources for integrated rural development

Noting that:

- The provincial fiscus is not sufficiently resourced to finance infrastructure development to the extent that backlogs will be addressed within the short-to-medium term;

- Government is directing too few resources towards creating an enabling environment for rural economic development;
- Development finance and donor resource flows are not being directed by provincially determined strategic frameworks;
- National development finance institutions are under-financing the Eastern Cape and especially the former bantustan areas of the province;

Believing that:

- A centrally-co-ordinated approach to mobilise and direct donor, development finance and government resources is necessary to confront and resource the huge development challenges of the province;

We hereby resolve to:

- Ring-fence funds from the provincial fiscus dedicated to rural development with respect to the programmatic focus and strategic thrust of the province's Integrated Rural Development Strategy. This will ensure that the provincial fiscus reflects a significant rural bias and resource flows emanating from the provincial fiscus are directed by the strategic framework of the integrated rural development strategy.
- Lobby national Government through the Finance MEC and the National Council of Provinces, for additional resources to augment provincial funding for the integrated rural development strategy;
- Establish a stakeholder's forum of development finance and donor institutions (facilitated by the Office of the Premier and ECSECC) to co-ordinate development finance and donor activities in the province, and secondly to ensure their respective resource flows are directed by the strategic priorities of the integrated rural development strategy.

Resolution 3.2: Resourcing local government in rural areas

Noting that:

- The financial state of local authorities located in the rural hinterland of our province is in serious crisis due primarily to their low revenue bases;
- The current fiscal and financial interventions by central government are not making a significant impact in resolving the financial crisis of rural towns;
- Commercial banks, the private sector, and development finance institutions are not prepared to invest in these towns due to risk factors associated with financial instability.

Believing that:

- The cause of the financial crises being experienced by local authorities in the province is complex and is rooted, in the main, in historical processes of

apartheid underdevelopment which has left large parts of our rural hinterland without a sustainable economic base and without the necessary institutional capacity to drive transformation;

- Rural towns and their respective local government structures have a critical role to play in the implementation of an integrated rural development strategy.

We hereby resolve to:

- Open up the debate on the taxing powers and redistributive mechanisms within the province, including investigating the cross-subsidisation of poor municipalities from wealthier towns and metropolises;
- Given that provincial wealth and resources are limited, we should consider lobbying for increased national resources for the province's under-resourced local authorities. We should also, in collaboration with institutions such as SALGA and the Finance and Fiscal Commission, investigate ways of changing the Equitable Share formula to favour local authorities which have extremely low revenue bases.

Resolution 3.3: Building capacity in non-metropolitan local government

Noting that:

- Government is committed to building the capacity of non-metropolitan local government;
- Many of the district councils and local authorities located in the rural areas of our province are currently under-capacitated to deliver on their developmental mandates.

Believing that:

- A developmental local state is pivotal to the implementation of an integrated rural development strategy.

We hereby resolve to:

- Augment, strengthen, and where necessary redesign existing programmes aimed at building local government capacity within the province, with particular respect to finances, budgeting, project management, service delivery, participatory planning, and economic development;
- Investigate the mechanism for establishing a "rapid response" technical support unity to supplement the Planning and Implementation Management Support Systems for Small Municipalities (PIMMS) programme in providing strategic planning and technical support for under-capacitated district councils and local authorities located in underdeveloped rural areas;

- Undertake capacity audits of District Councils and newly established municipalities to determine competencies and capacities with a view to developing human resource development plans to meet the capacity requirements in the medium term.

Resolution 3.4: Mobilising technical support for integrated rural development

Noting:

- The shortage of technical skills in the underdeveloped rural areas of our province, particularly in the fields of finance, engineering, science and technology, economics and business skills, natural resource management, project management, among others;
- Technical and professional skills which lie under-utilised in many of our tertiary education and training institutions;
- The lack of co-ordination and strategic mobilisation of such technical and professional skills across the province;
- The high levels of dependency on consultants;
- The absence of long-term strategies to develop technical and professional skills in rural areas;

Believing:

- In the need to mobilise a package of technical support for integrated rural development;
- In the need to develop a sustainable technical and professional skills base in the underdeveloped rural areas of our province;

We hereby resolve to:

- Rapidly unlock resources for technical support to undercapacitated district councils and local authorities;
- Assess current capacities and competencies across public and private institutions in order to identify gaps and design strategies to remedy;
- Standardise systems design and procedures relating to the project life-cycle;
- Use appropriate technology that complements local resource endowments and skills capacities.

6.4 Commission 4: Democratic participation

Resolution 4.1: Enhancing community participation in rural development

Noting:

- The Reconstruction and Development Programme's commitment to people-driven development;
- The need to consolidate and deepen democracy in the rural areas of our province;
- That local-level institutions in rural areas of our province do not have the capacity to drive and manage development;
- That current development interventions in rural communities are not sufficiently targeting and empowering marginalised social groups such as women, youth, the disabled and the poor;

Believing:

- That community participation and the participation of local organisations in the development process is vital to the sustainability of development interventions;

We hereby resolve to:

- Explore the possibility of establishing district –level development coalitions to enhance communication and co-ordination between national and provincial government, intermediate structures such as district councils and local authorities, and local participatory organisations;
- Build capacity in formalised local participatory organisations to enable them to play an oversight and implementation role in rural development;
- Ensure that rural communities have access to the necessary information to enable their participation in development processes;
- Government, donors and NGOs ensure the targeted participation of special groups such as women, youth and disabled persons through preferential procurement practices and through building capacity in local participatory organisations which represent the interests of marginalised social groups.

Resolution 4.2: Ensuring accountability in implementing the rural development summit resolutions

Noting:

- The existence of a multi-stakeholder steering committee which has overseen the production of an Integrated Rural Development Framework document and the organisation of the Rural Development Summit;

Believing that:

- The continued existence of such a committee is vital to the effective implementation of the Summit resolutions, and to the prosecution of the provincial integrated rural development strategy;

We hereby resolve to:

- Mandate the Rural Development Steering Committee to direct and monitor the implementation of the Summit resolutions, and oversee the production of the Integrated Rural Development Strategy document;
- Reconvene a provincial Rural Development Summit within a period of no later than three years in order to ensure transparency and accountability vis-à-vis the implementation of the 2000 Summit's resolutions.

7. SUMMIT DECLARATION

On the 5th and 6th of October 2000, the Provincial Government of the Eastern Cape convened a Rural Development Summit held at the University of the Transkei in Umtata. The Summit was the culmination of a long consultative process involving a diverse range of stakeholders including the Office of the Deputy President, Government departments, MECs, representatives of organised labour and business, ECSECC, NGOs, as well as other formations of civil society.

The Summit recognised problems of acute rural poverty, underdevelopment, sub-optimal economic growth, unacceptably high levels of unemployment and the need to quantitatively increase public and private investment to address these challenges.

The Summit endorsed the vision of a robust provincial economy that integrates and builds agricultural-manufacturing productive capacities across the Province, bridging the divide between developed coastal cities and underdeveloped rural hinterlands.

This vision in keeping with the spirit of the RDP and consistent with the overwhelming mandate received to create a better life for all in the Province was further elaborated through debate, discussions, and resolutions on concrete projects and implementation plan.

Some of the key thrusts in this regard are:

1. Accelerated delivery of infrastructure to confront the historical backlogs;
2. Fast-track land reform with more efficient provision of post-settlement support;
3. Capacitate and strengthen local government in rural areas to enable it to fulfil its developmental mandate;
4. Build a more efficient and effective network of technical, finance and institutional support institutions and instruments to address the challenge of rural development;
5. Encourage and empower grassroots participation and ownership through development coalitions, institutions of participatory democracy, wards, villages and a vibrant co-operative movement.

With a view to accelerate the realisation of the above, the Summit mandated the Provincial Government to constructively engage the National government and private sector to create and improve fiscal, financial, legislative and institutional machinery for delivery.

8. IMPLEMENTATION FRAMEWORK

8.1 Immediate actions

What follows are a list of steps which need to be completed before the end of the current financial year.

ACTION	RESPONSIBILITY
1. Produce final Integrated Rural Development Strategy document	ECSECC/ OoP/Rural Dev Steering Committee
2. Finalise departmental implementation programmes (for multi-year budget)	ECSECC/ OoP/ Cabinet/ Rural Development Steering Committee
3. Produce Cabinet Memo/Resolution specifying departmental implementation programme	Cabinet/ ECSECC/ OoP/ Rural Development Steering Committee/ RDP Standing Committee
4. Develop clear guidelines for co-ordination, monitoring and evaluation	ECSECC/ OoP/ Rural Development Steering Committee/ RDP Standing Committee
5. Determine technical, financial, and institutional resource requirements for effective prosecution of strategy	ECSECC/ OoP/ Rural Development Steering Committee
6. Ringfence funds for integrated rural development	DoF/Cabinet/ Rural Development Steering Committee

8.2 Actions 2001-2005

ACTION	RESPONSIBILITY
<p><u>1. Policy support</u></p> <ul style="list-style-type: none"> • Secretariat and strategic support to Rural Development Steering Committee • Research and strategic support for Cabinet Cluster • Research and strategic support for Standing Committees • Develop legislative instruments for integrated rural development • Strategic support for Inter-Governmental Forum 	<ul style="list-style-type: none"> • ECSECC/ OoP • Secretary to Cabinet; Cabinet; OoP; ECSECC; • Office of the Speaker; ECSECC • Office of the Speaker; OoP; ECSECC; Cabinet • OoP/ ECSECC
<p><u>2. Accelerated delivery of Infrastructure</u></p> <ul style="list-style-type: none"> • Cost backlogs and develop 5-7 year provincial CAPEX plan to redress backlogs and provide enabling economic infrastructure; • Provide technical support (GIS capacity-building) to district councils to enable their infrastructure planning, prioritisation and project management; 	<ul style="list-style-type: none"> • OoP; ECSECC; DPW; DHLG; DoE; DoH • ECSECC; DHLG; DPLG
<p><u>3. Fast track land reform</u></p> <ul style="list-style-type: none"> • Speed -up state land disposal; • Fast-track private land acquisition; • Fast-track land restitution; • Integrate land reform programmes with district council and local government LDO/IDP processes; • Integrated Land Reform and Agriculture Programme • Lobby for finalisation of the Land Tenure Bill 	<ul style="list-style-type: none"> • DALA, DLA, Office of the Surveyor General • DALA, DLA, Office of the Surveyor General • Land Claims Commission, DALA, DLA • DHLG, ECSECC, DALA, DLA; District Councils • DALA; DLA • DLA; DALA; NLC; SANGOCO
<p><u>4. Consolidate rural safety nets</u></p> <ul style="list-style-type: none"> • Streamline rural pensions • Aids/HIV • Poverty alleviation projects • Food security • Rural access roads 	<ul style="list-style-type: none"> • DoW; OoP • DoH; OoP; ECNGOC • DoW; DPW; DWAF • DALA; ECNGOC • DPW; District Councils

ACTION	RESPONSIBILITY
<p><u>5. Build a robust rural economy</u></p> <ul style="list-style-type: none"> • Integrated Livestock and Crop Farming Programme; • Rural Livelihoods Programme • Rural economic infrastructure development • Build a robust and sustainable co-operative movement • Facilitate linkages between agriculture and manufacturing • Integrate LDOs/IDPs • Institutional and strategic economic planning support for district councils and municipalities • Develop a provincial economic development strategy 	<ul style="list-style-type: none"> • DALA; ARC • OoP; DHLG; DALA; DEAET; GTZ • DoT; DPW; DHLG; ECSECC • Restructuring Authority; DALA; Cosatu; ECSECC; Cimec; ECDC; OoP • DALA; ECSECC; DTI; Cimec; IDC; ECDC • DHLG; ECSECC; DPLG • ECSECC: DEAET/Cimec; Cosatu; ECDC • ECSECC; Cimec ; ECDC; Cosatu; Cabinet
<p><u>6. Strengthen local government</u></p> <ul style="list-style-type: none"> • Undertake capacity-audits of new district councils and municipalities • Formulate human resource development plans • Provide planning and institutional support to undercapacitated district councils and municipalities • Cross-subsidisation of poorer municipalities 	<ul style="list-style-type: none"> • ECSECC; DHLG; DPLG • ECSECC; ECDC; Cosatu; DHLG • ECSECC; DHLG; DPLG • DHLG; DPLG; ECSECC; District Councils
<p><u>7. Build a network of technical, financial and institutional support</u></p> <ul style="list-style-type: none"> • Establish a stakeholder's forum of donor and development finance institutions • Establish a "rapid response" technical support team to provide technical and strategic planning support to district councils and municipalities 	<ul style="list-style-type: none"> • DoF; DoF; Cimec; ECDC; ECSECC; OoP • ECSECC; DHLG; District Councils
<p><u>8. Deepen participatory democracy</u></p> <ul style="list-style-type: none"> • Establish district-level development coalitions; • Organisational development support for strategic civil society organisations • Reconvene Rural Development Summit 	<ul style="list-style-type: none"> • District Councils; COSATU; NGO Coalition; ECSECC; OoP • ECNGOC; COSATU; ECSECC • Rural Development Steering Committee; ECSECC; OoP