



Schmidtsdrift plans and policies

*Overview document for presentation to CPA management and the RLCC –
5th March , 2009*



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Phuhlisani's assignment

Overview of the task

Phuhlisani was appointed by the Commission in 2008 to help the CPA to:

- identify and mediate disputes among the members of the CPA;
- clarify members' rights, benefits and duties;
- develop options and implementation plans for mining, agriculture and game farming;
- develop policies, procedure and systems for more effective and transparent management of the CPA and its assets.

Progress to date

Phuhlisani began an in-depth process of engaging with the CPA Management Committee and representatives of different interest groups among the membership, living on and off the property. Phuhlisani prepared a detailed status quo report describing the history of the claim, subsequent developments and an assessment of the current situation at Schmidtsdrift. This was handed over to the Commission and the CPA on the 30th October 2008 and approved as the first project milestone.

Overall progress has been slower than expected due to the deep rooted nature of the disputes and the legacy of mistrust amongst sections of the membership which has made constructive dialogue difficult to achieve. However in the last three months there have been a number of developments which have brought the parties closer together and set the scene for a sustainable solution to the various disputes. These are addressed in more detail below.

Changes in the Schmidtsdrift development context

During the course of our work at Schmidtsdrift there have been some major changes in the development context.

The liquidation of Lonrho

In August 2008 Lonrho, the CPA's partner in Schmidtsdrift Mining Enterprises (SME) and principal source of CPA revenue, sought to sell its 80% share in SME to New African Mining. Phuhlisani provided assistance to the CPA to ensure that the change of ownership was undertaken consistent with the requirements of the CPA Act which requires that any decision to encumber or dispose of rights in land requires the approval of members at a quorate meeting properly called for this purpose.

However the proposed deal came unstuck as the global economic downturn reached crisis point in Sept 2008. This had a major impact on the mining sector as the price and demand for diamonds have fallen dramatically, resulting in widespread mine closures and retrenchments in the industry. With the deal off Lonrho was forced into liquidation before paying the CPA money owed for royalties and pledged for the development of the game farm. This situation has major implications for the CPA and the financing of its future development plans which has had to be factored into the plans we have developed.

Protracted disputes undermine the planning and development process

Disputes between the CPA and Griqua members associated with the Fonteintjie Ontwikkelingstrust reached a point where members formally sought to finally separate from the CPA.

At the same time another grouping of members formed the Batlhaping Trust arguing that the CPA should be disbanded and replaced by a traditional authority. Despite the fact that this entity had no legal standing to represent members of the CPA they began a process of engaging with government departments and the media.

These and other localised disputes created a challenging environment in which to develop policies and plans which have the broad support of the membership. However Phuhlisani has made every effort to put in place mechanisms for resolving the various disputes which are outlined below.

Dispute management

Steps taken to manage and resolve disputes

Phuhlisani has taken a number of initiatives to try and address the debilitating conflicts at Schmidtsdrift. As the Status Quo report observed:

“Phuhlisani’s task of developing policies and procedures, aligning plans and building the capacity of the CPA will be unable to proceed smoothly without a properly mediated resolution of the various disputes and contestations” (Phuhlisani, 2008: 57)

Engaging with the parties

In 2008 Phuhlisani held numerous sessions with the various parties in dispute, both in the run up and the aftermath of mediation proceedings.

Mediation

Phuhlisani engaged a mediator to undertake an initial mediation process in the week of the 20th – 24th October 2008. This was attended by the CPA management Committee, representatives of the Fonteintjie Ontwikkelingstrust and the Batlhaping Trust.

While the mediation was unable to achieve a settlement to the different disputes it assisted in getting the parties talking to one another and setting the scene for the reworking of the CPA Constitution and the clarification of rights, responsibilities and benefits of CPA members which took place in January 2009.

Steps to appoint a Conciliator with powers of arbitration for the FT dispute

After the mediation Phuhlisani drafted a letter to FT outlining the way forward Wednesday 12th November. This letter set out the options for the way forward which were to:

- Engage in a joint Constitution making process as proposed during the mediation process
- Pursue steps to secure a final divorce

The letter also requested FT’s co-operation in undertaking an up to date census of the membership associated with the Trust to determine household profiles, the identity of the family member whom their CPA membership was derived from and the location where they used to stay in Schmidtsdrift. To date Phuhlisani has been unable to secure the Trusts support for the completion of the census forms.

At a follow up meeting with FT on the 22nd November 2008 at the Horseshoe Hotel FT confirmed that they had no trust in the outcome of the Constitution making process and that they sought a final divorce. They confirmed that this decision had been properly mandated by the Trust beneficiaries.

However the parties remained very far from one another when it came to the interpretation of the settlement agreement and their respective rights and entitlements. For example Fonteintjie remained of the view that the clause in the Settlement Agreement which gave them 50% representation on the CPA Management Structures, also entitled them to 50% ownership of the land and assets. This has long been contested by the CPA and the Department of Land Affairs which stated that the Fonteintjie Community Trust reading and interpretation of the Settlement agreement was incorrect – confusing representation with ownership.

This deadlock limited the possibilities for a negotiated settlement of a divorce between the parties and prompted Phuhlisani to approach the DLA to appoint a Commission of Enquiry/Arbitrator to investigate the historical records, arbitrate on the relative rights of the different parties and make a binding ruling on an equitable solution.

Phuhlisani was asked by the Commission to develop a Terms of Reference for a Conciliator in terms of Section 10 of the CPA Act. The TOR proposed that the Conciliator be given powers of binding arbitration to enable resolution of the dispute. A process is currently underway to identify and appoint the Conciliator using the contract which Tokiso Dispute Resolution Services currently has with the DLA. It is envisaged that hearings will take place during March 2009.

Dispute resolution scenarios

In the process of taking forward the dispute resolution process Phuhlisani has sought legal opinion to clarify the representation and ownership rights in the Schmidtsdrift case. We are currently working with two divorce scenarios and interim arrangements while the dispute is being resolved

Scenario 1: Fonteintjie will separate and obtain alternative land

- Arbitration will decide on the relative asset share re mining and CPA revenue
- DLA will assist in finding alternative land
- FT members waive their rights in the communal property in exchange for new rights in land as a separate entity

Such an approach would seem to offer the best chance of a sustainable solution.

Scenario 2: Fonteintjie seeks to divide up existing land and assets

This would open up a complex and high conflict situation where:

- Fonteintjie argues for a subdivision of land and separate title on the basis of perceived 50% ownership for 12% of the beneficiary households
- The CPA could counter by seeking a declarator to declare the settlement agreement flawed/ invalid
- Matters are likely to bog down in contestation due to conflicting and overlapping land rights, which could carry a risk of violent confrontation

The sustainability of this approach appears very low, and is likely to result in the persistence of conflict and ungovernability.

The responsibility for finding a fair and equitable solution will ultimately depend on the parties in dispute and their engagement with the appointed arbitrator.

Profiling the membership

One of the development outputs required was an updated membership listing which could be used as the basis for a membership register. This was based on the recognition that development planning requires accurate information on the number of people living on the land, or intending to return whose shelter and livelihood needs must be met. This information also has to be meshed with an appraisal of natural resources to assess the fit between them.

Census design and implementation

In our attempts to obtain this information Phuhlisani developed a simple census form which we intended would be administered by enumerators trained from among the membership in the different areas where people stay on and off the property.

Unfortunately this census became politically contested by the parties in dispute. Certain households associated with the Batlhaping Trust at Schmidtsdrift, principally those residing outside the two established township areas on the property refused to provide household information to the CPA as they contested its legitimacy.

At the same time the Fonteintjie Trust refused to carry out or allow a census of its members in Douglas and Campbell and changes in the administration arrangements at Kuruman also delayed the census there. Currently some of the members who live in Kimberley are also completing the census forms. However there are also others who appear reluctant to provide this information.

Phuhlisani has managed to complete a census of the vast majority of households currently living at Schmidtsdrift. Data from this survey has been entered into an Access data base.

Currently available results

The table below highlights that a total of 425 households have been surveyed who currently reside on the property

Residential area	Number of households	% of hh total	Number of people	% of total pop
Not stated	14	3.3%	29	2.7%
04 Schmidtsdrift Zone 4	335	78.8%	895	81.9%
05 Schmidtsdrift Zone 5	76	17.9%	169	15.5%
	425	100.0%	1093	100.0%

After some corrections and adjustments the current profile of Schmidtsdrift appears as follows. The majority of households surveyed were single person households which seems to indicate that other members of the household reside permanently elsewhere

HH size	Number	Total
1	173	173
2	95	190
3	47	141
4	40	160
5	33	165
6	22	132
7	5	35

8	2	16
10	6	60
11	1	11
12	1	12
Total population		1095

Available information indicates the age profile of the Schmidtsdrift population

Age category	Male	Female	Both
17 or younger	120	141	261
18 to 30	129	122	251
31 to 64	201	167	368
65 plus	31	41	72
All	481	471	952
missing:			
143			

Census takers made a number of omissions on the dependents table which requires investigation.

Clarifying members' rights benefits and duties

Developing a new Constitution

Two versions of a new draft CPA Constitution have been developed and translated into Setswana.

- One version is silent on the rights of members associated with Fonteintjie Trust as it has been drafted on the assumption that that they will negotiate an separate settlement agreement which will extinguish the rights of FT members in the CPA.
- The second version addresses the reasonable expectations that Fonteintjie could have in terms of the settlement agreement. It provides for three members on the Management Committee and makes provision for the protection of minority community rights to land and high value resources. It makes provision for a veto which FT members would be able to exercise should they believe that a decision unfairly impact on their rights. However this automatically triggers a Section 10 conciliation – the finding of which are binding on both parties. Once the legal separation is effected these clauses will fall away and be removed from the Constitution

The Constitution which recognises and protects Fonteintjie's rights caters for a situation where either there are delays in appointing a Conciliator or in the settlement of the dispute once they have been appointed. These adjustments to the Constitution have been designed to sufficiently protect the CPA from a court challenge while the dispute is being resolved.

There is also a possibility that the new Constitution could also potentially enable the reintegration of members associated with FT if, the dispute settlement options are found to be limiting or unattractive.

Draft Constitutions are appended as Appendix 2 and 3

Resource utilisation plans

This section summarises plans for the effective and most economically beneficial use of the key resources at Schmidtsdrift

Overall planning approach

The overall approach is guided by striking a balance between different priorities which simultaneously require us to:

- meet the development needs of individual members staying at Schmidtsdrift, as well as those who live elsewhere who have rights to use of its resources;
- create economic opportunities;
- define and manage the rights, benefits and responsibilities of CPA members in relation to available development opportunities;
- manage development resources sustainably for future generations;
- address the CPA's need for revenue to enable it to manage its affairs, maintain infrastructure, acquire additional land and generally ensure the long term future of its members;
- develop the partnerships, skills, capacity, structures and systems to manage a large and complex project for the benefit of all.

The planning process has involved a holistic review of existing resources.



Home production and small business



Livestock, game & NRM



SCHMIDTSDRIFT RESOURCES



Mining



Irrigation



Commercial cropping



The resource management plans address ways to:

- enable the emergence of community based mining consortia in partnership with commercial diggers on the “community mining plant” on Zone 16.
- make best use the 180 ha of water rights and associated government grants to generate income for the CPA, improve household food security and fodder availability while creating opportunities to grow small scale irrigation opportunities through the provision of leased plots and small-scale irrigation allotments.
- integrate and add value to the existing, but dormant game farm undertaking on the property
- address environmental threats such as bush encroachment and alien invasive plant species
- effectively manage the extensive livestock holdings on the property in a way which creates opportunities for large stockowners to acquire their own land and make space for the many small and emerging livestock farmers

Mining

In 2001 the New Diamond Company (NDC) obtained a permit to prospect on the whole of the Schmidtsdrift property. The diamond gravels on the property were divided into a several different mining zones. Subsequently the Department of Minerals and Energy (DME) reserved Zone 16 for mining activities to be undertaken by members of the CPA.

However the DME will only issue the Mining Licence once the CPA provides it with a Social and Labour Plan and an Environmental Management Plan. The CPA has to show the Department how it will be able to mine the area – through its own company, through an association with other miners or any other option.

Currently the CPA has reserved the mining rights for Zone 16, but it has not taken up the option to mine the area. The CPA has commissioned a detailed draft Social and Labour Plan and paid an initial deposit for the rehabilitation of the land to the DME.

Mining policy principles

Four key principle guide the development of mining policy at Schmidtsdrift:

1. The CPA seeks to protect its rights as a land owner and to ensure that the water, land , grazing and economic rights of its members are not undermined by inequitable or ecologically damaging mining activity which destroys key natural and heritage resources and which leaves land unrehabilitated and unusable.
2. The CPA recognises that diamonds are a finite resource and that the medium to long term future of Schmidtsdrift depends on the development and sustainable management of agricultural, irrigation and natural resources.
3. The CPA seeks to stimulate local entrepreneurship, skills transfer and employment opportunities through the way it manages the commercial and community mining zones, while simultaneously ensuring that it maximises its share of the revenue generated.
4. The CPA will utilise the revenue that it receives from diamond sales in order to save and reinvest this money to grow agricultural production and improve the lives of its members through targeted social and education spending.

Mining and the CPA Constitution

Currently there are two draft Constitutions which have been prepared for approval by the membership of the CPA at a Special General Meeting to be held on 28th and 29th March, 2009 at Schmidtsdrift:

- The first Constitution has been drafted on the assumption that the Conciliation initiative will have already resolved the dispute between the CPA and Fonteintjie, and that a settlement agreement will spell out the rights and entitlements of those members seeking legal separation from the CPA which will include a share of mining revenue. This Constitution is silent on the rights of the minority Fonteintjie Community
- The second Constitution has been drafted to cater for a situation whereby the Conciliation has not been finalised and the minority rights of the members associated with the Fonteintjie Ontwikkelingstrust require protection in the interim. This Constitution requires that the Land use and Development Plan

specifically recognises and protects minority rights and access to high value resources. It provides for Fonteintjie elected representatives to veto development measures which they deem discriminatory. However once exercised this veto provides for an automatic Section 10 Conciliation process whose findings are binding on the parties

The Constitution requires that a Land Use and Development Plan must be prepared and approved by the General Meeting with six months of the Managing Committee assuming office. The Plan must determine how community mining land will be allocated, managed and rehabilitated. The Plan, in terms of the second Constitution, must ensure that the rights of minority membership groups are specified and protected, subject to their compliance with the duties of members specified in the Constitution and community rules properly passed from time to time.

Approach to utilising community mining resources

Principles for the allocation of mining rights

The draft Constitution of the Schmidtsdrift which has been submitted to the Community for discussion says the following in Clause 5.1:

“The powers of Association and of the Executive Committee shall be interpreted and implemented at all times in accordance with the principles of fairness and equity. This requires the Association to administer the assets of the Association and apportion rights to the members in a manner which ensures equal opportunity and avoids unfair discrimination or privilege.”

Both the CPA Act and the draft Constitution demand that there is a principle of equity and fairness in the allocation of resources. This must be taken into account when the rights to mine the Zone 16 are allocated.

This approach has taken into account previous discussions in the CPA on allocation of mining rights, in particular a CPA General meeting on the 7th July 2007 where the members present took a resolution that the mining of the Zone 16 should involve the CPA, an independent digger or miner and the Garamatale Small Miners Association. This decision was subsequently contested by other interests in the community who argued that Garamatale had been given exclusive/preferential rights to what was a community asset.

Given the sensitivities and potential conflict over the allocation of these potentially valuable resources Phuhlisani has concentrated on the development of transparent rights allocation procedures and on the creation of smaller concessions within 420 hectare allocation which different consortia can bid for.

The approach seeks to minimise the risk to the CPA while securing the best possible mix of benefits for the Association and its members.

The current mining downturn

As noted above the current depressed economic climate makes diamond mining uneconomic. Most diamond diggers in the area have ceased operation – including Lonhro on the main mine at Schmidtsdrift, as well as the diggers on the state land adjacent to Schmidtsdrift. Elsewhere in the country diamond mines are closing and workers are being laid off.

Diamond mining is only likely take place again once there are signs of a global economic recovery which is unlikely to be before mid 2010 according to some estimates. This has taken some of the pressure off the rights allocation process which may prove beneficial to the overall planning process.

Understanding the costs of alluvial diamond mining

Phuhlisani has been at pains to research and communicate the massive cost outlays required for this type of mining.

Capital costs

At 2005 prices at least R10 million worth of capital equipment is needed to supply a 16' sorting pan. The shopping list includes the 16' pan itself plus:

- One x 30 ton excavator
- Two x 3 cubic metre wheel loaders
- Two x 25 ton articulated dump trucks
- One x 125KVA generator set;
- One x scrubber;
- One x sortex;
- One x powerscreen;
- One x LDV;
- Sundry small equipment.

Operational costs

Once one has purchased or hired all the necessary equipment an additional R843,000 (2005 prices) is required each month to pay wages and operate the equipment. At current prices this is now in excess of R 1 million a month. The price is also affected significantly by changes in the cost of fuel.

Implications for the CPA

The CPA currently does not have the funds to obtain the capital equipment. Given the insecure nature of alluvial diamond mining and the current economic context it is unlikely that the CPA would be able to independently acquire finance to purchase the equipment and cover operating costs.

Under the current economic circumstances it is not a viable option for the CPA to establish a digging company in order to mine Zone 16 itself. This means that a partnership model has to be adopted where interested groupings amongst the CPA membership find a commercial mining partner and put in a bid to operate a particular concession. This limits the financial risk to be carried by the CPA and its membership.

The CPA requires a steady stream of revenue from different sources to manage its affairs and to invest for the benefit of its members. This means that it has to allocate and manage the concessions to secure a steady stream of benefits over a number of years. The CPA has to decide at what scale to authorise the mining at Zone 16 in order to achieve this goal.

If, for example the CPA authorized the use a single 16' pan it would take 48 years to mine the 480ha area of the Zone 16. If the 480 hectares was divided into 5x90ha zones for small miners, each with a 16' pan it would take about 9 years to complete mining operations in the community mining zone.

Mining business on models for Zone 16

There are three different models for mining on Zone 16. These are discussed in more detail below.

Option 1

The CPA establishes its own mining company to undertake the mining. This company will be wholly owned by the CPA. In this model the CPA would have to draw on its current resources and obtain additional financing to obtain the machinery and other requirements to run the mine. Qualified management and appropriate workforce will be employed by the company.

Advantages	Disadvantages
All revenue from the mining operations would go to the CPA	CPA unlikely to be able to raise the capital independently
	CPA lacks the business and management skills for mining operations at this scale
	Possible inefficiencies in the operations could undermine the profitability of the operation
	Assuming it was possible for the CPA to raise the finance it would carry all the risk if the venture fails. Enterprise failure would have a devastating impact on the CPA and its members

Option 2

In this model the CPA would contract out the mining operations to a single existing digger or company in a partnership with the CPA following a transparent bidding process. The two parties would establish a mining company in which the CPA would be a shareholder and receive a royalty on turnover.

Bids would be evaluated in terms of:

- The partner's experience, financial and managerial capabilities
- The viability of the business plan and financial forecasts
- The royalty share paid to the CPA
- Indirect benefits to the CPA through employment created, local procurement and social responsibility investment
- Rehabilitation capability

Advantages	Disadvantages
The CPA would be able to negotiate a 50/50 shareholding in the company because it holds the	CPA could be partially liable if the company went bankrupt

mining licence	
The partner would provide the capital and the mining expertise	Dependence on a single partner could put the CPA at risk if the partner has financial problems
The CPA would be able to negotiate a higher share of the royalties from sales because it owns the mining license.	The CPA has to meet the financial costs and management responsibilities of operating and co-managing a mining company
A variety of direct and indirect benefits would flow to the members living in Schmidtsdrift	

Option 3

In this model the CPA would divide up the 480 ha Zone 16 into +/-5 smaller camps¹. The CPA would contract out rights to mine these camps through a transparent points based tender process to five different existing diggers. Tenders would be awarded as indicated in Section 20.5 of the draft Constitution which stipulates that:

Tenders (to use high-value resources) must be awarded based on an assessment of the best package of direct and indirect benefits which will accrue to the CPA membership.

In this model each digger bidding for a camp must involve community members either as individuals or business entities in the mining company and carry out the digging according to strict criteria agreed in policy. The CPA would also receive a royalty on turnover.

Bids would be evaluated in terms of:

- The diggers experience, financial and managerial capabilities
- The viability of the business plan and financial forecasts
- The royalty share paid to the CPA
- The direct benefits to individual members or organised consortia of members in partnership with the digger
- Indirect benefits to the CPA through employment created, local procurement, and social responsibility investment

¹ The exact size and number of these mining concessions would be determined after initial drilling had been contracted by the CPA to establish the profile of the gravels

- Rehabilitation capability

Advantages	Disadvantages
The CPA carries no risk	There is an increased management cost associated with appointment five different operators and subsequently monitoring their production, sales and overall performance
The five selected diggers would provide the capital and the mining expertise	Some risk will be carried by members entering into joint venture as not all the mining camps will necessarily yield the same output.
The CPA would be assured a reasonable share of the royalties because it owns the mining license.	
The CPA would be guaranteed as steady stream of income as it is unlikely that all five diggers would close at the same time, (unless there was a collapse in the market price of diamonds which makes production unprofitable).	
The model encourages investment by members into mining and stimulates local entrepreneurship and creates a variety of opportunities for this to take place	

Option 3: The preferred option

Phuhlisani recommends the adoption of Option 3 on the basis that it limits the CPA's risk, encourages local investment and entrepreneurship and provides the most secure guarantee or revenue.

Possibility of a hybrid option combining elements of Options 2 & 3

At a meeting with the CPA leadership grouping on the 19th and 20th of February there was a suggestion that Options 2 and 3 could possibly be combined. This would involve the appointment of a managing digger or agent who would be responsible for overseeing the five contractors and their CPA partners. This would reduce the amount of management oversight required by the CPA.

Agriculture

Agricultural policy principles

Ten key principles guide the development of agricultural policy at Schmidtsdrift

1. The medium to long term future of the CPA and of its members living at Schmidtsdrift depends on the development and sustainable management of its agricultural, irrigation and natural resources.

2. The CPA will invest in, protect and develop the agricultural potential at Schmidtsdrift for the benefit of its members
3. While the CPA is the owner of the property at Schmidtsdrift, all members of the Association who use the land share responsibility to sustainably manage the valuable grazing, water and natural resources and maintain infrastructure for the benefit of their descendants.
4. Members who use these resource will be required to make a contribution to the Association in proportion to what they use, to enable the CPA to manage and maintain these assets on their behalf. The CPA will invest grazing, water and fencing levies to improve livestock and agricultural infrastructure on behalf of its members and employ rangers to combat stock theft, maintain fences and water points
5. The CPA recognises that reliance on government grants and infrastructure investment is not a sustainable strategy in the long term. As government acquires and transfers more land its resources for development support will become more thinly spread.
6. To manage its grazing resources effectively and equitably the CPA will obtain accurate and up to date information on the livestock being grazed in the different areas on the property. This will be obtained through the veterinary services livestock database.
7. Members recognise that there are areas on the property adjacent to the different settlement areas and stocking camps which are becoming heavily overgrazed and that the property is increasingly carrying more stock than it can support. The CPA will develop creative strategies to address this problem in partnership with land users and government.
8. The CPA, together with individual large stockowners and members of the famers associations grazing stock on the property, will engage with the Department of Land Affairs to develop a plan to obtain properties for individuals or consortia through the LRAD, PLAS and Commonage components of the land reform programme. This will promote the development of independent black commercial livestock farmers on their own properties and will free up grazing resources for smaller producers resident at Schmidtsdrift.
9. The CPA has valuable water rights which will become the foundation for revenue generation. These resources will be developed to generate revenue for the CPA, improve household food security and provide economic opportunities for the members.
10. The CPA recognises the importance of the protecting land suitable for irrigation which has been already been designated for mining. This will require approaching the Minister of Mineral and Energy to deproclaim land designated for mining which is suitable for irrigation to enable the CPA to make use of its valuable water rights for the benefit of all. It will also involve ensuring that the CPA is properly compensated for the loss of key agricultural assets as a result of mining activity.

Approach to making optimal use of agricultural resources

The plan sets out to address and balance different needs including:

- the CPA's need for revenue;

- the creation of jobs and economic opportunities for CPA members;
- development of a system for more sustainable grazing management;
- making use of irrigated land for large scale commercial production with external partners, promotion of small-scale commercial operations and household food security.

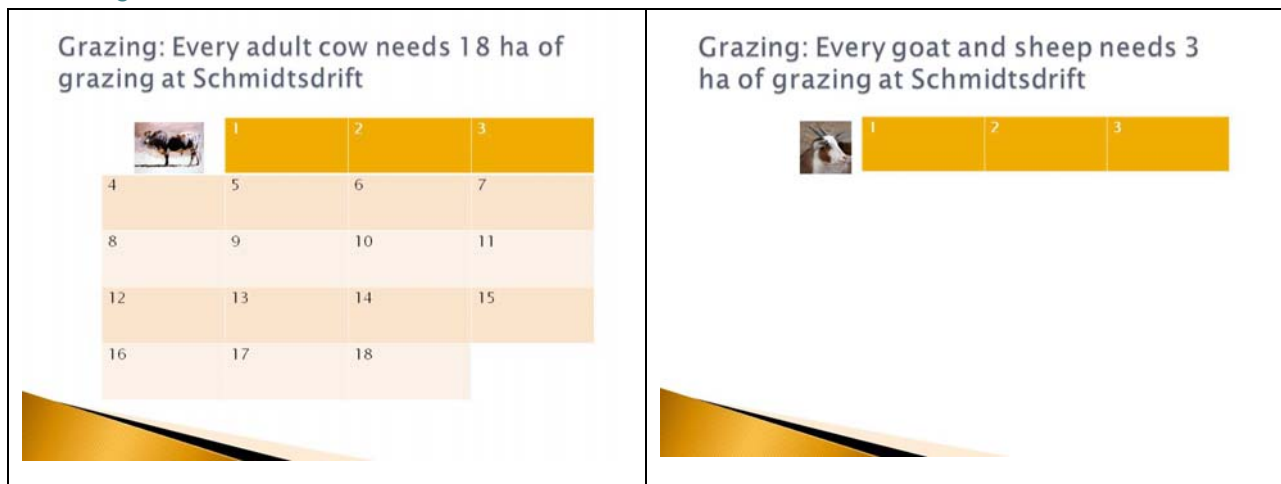
Agricultural resources

Irrigation and water resources

The Schmidtsdrift CPA has access to 1600 m litres of water from the Vaal river which is enough for about 180ha of irrigation land. However at present there is limited land left suitable for irrigation because it has all been proclaimed for mining purposes. Some land which would have been suitable for irrigation has been destroyed by mining activity.

Climate change characterised by rising temperatures and increasing frequency of extreme weather events poses increasing challenges to farmers. Livestock farmers are largely dependent on groundwater facilities. In a semi arid area characterised by increasingly unreliable rainfall investment in livestock water points and utilisation of available water rights is key to managing risk and ensuring development.

Grazing



Available estimates indicate that there are about 800 cattle and other large stock requiring about 14400 ha of grazing and 6000 sheep and goats requiring 18000 ha of grazing. Currently the herds at Schmidtsdrift require 32,400 ha of grazing land. However only about 22 000ha of grazing is available due to grazing loss from the creation of the game farm and mining operations on the property. Schmidtsdrift is short of 10,400 ha of grazing which is needs just to sustainably graze the stock already on the land. This does not make any allowance for expansion in herd size through natural growth.

Currently this 22,000 ha is grazed very unevenly. Much of the livestock grazes in close proximity to functioning water points and in areas which are close to settlements or established stock points. This results in pockets of heavily overgrazed land in certain areas.

The amount of stock which can be carried on the land can vary according to seasonal factors but good season and poor season limits can be calculated to create flexible guidelines for sustainable stocking rates. But once users start to consistently graze more livestock than can be supported by the available grazing resources in any year, then the veld will become degraded and more vulnerable to population by invasive species which thrive in degraded veld conditions.

There is already evidence that this is taking place at Schmidtsdrift. As was noted in the status quo report there is bush encroachment from swarththorn/blackthorn (*acacia mellifera*). Other invader plants include driedoring (*rhigozum trichotomum*) which is becoming increasingly invasive in arid rangelands. Driedoring displaces more valuable plants and sometimes forms impenetrable thickets. Its presence is usually regarded as an indicator of overgrazing.

The change in the veld composition and the loss of more palatable plants lowers the carrying capacity of the land and makes farmers increasingly vulnerable to drought years when there is no emergency grazing to fall back on. In these years farmers can expect large stock losses if no drought risk reduction strategy is adopted.

Agriculture plan - Grazing/livestock

Currently, as pointed out in the status quo there is no grazing management plan supported by livestock owners, and informed by readily available data on who is grazing what stock on the property. Some of the larger stock owners who reside in Kimberley and other centres are making their own investment into the land, erecting water points and fences. This, it can be argued results in the privatisation of CPA resources to which all members should have equitable access as required.

The development of a detailed grazing management plan depends on there being a reasonable level of organisation amongst the different livestock owners grazing on different ranges on the property. There also needs to be broad agreement on a livestock management and development framework.

The approach which is discussed in more detail below has been discussed with some individual farmers and in workshops attended by certain livestock owners. However to date most large livestock owners have not attended these events and their attitude to the proposed approach has yet to be tested. This has to be addressed by the CPA if the plan is to have a chance of success.

The grazing management approach aims to find a solution to the increasing concentration of stock on insufficient grazing land. This aims to assist large stock owners, of whom there are several at Schmidtsdrift to get their own farms through the land reform programme while reserving the use of grazing land at Schmidtsdrift primarily to grow and develop smaller producers resident on the property.

This will require clarity on stock numbers and grazing ranges and must be supported by ongoing record keeping. At the same time policy must be clear on the rights, obligations and benefits of livestock owners, and emphasise the organisation of farmers to enable effective farmer led grazing management at Schmidtsdrift.

The key elements of the plan are to invest in:

- perimeter fencing;
- borehole repair and the sinking of additional boreholes;

- portable solar powered pumps to open or close designated water points as part of a grazing management plan where grazing ranges are determined by access to water rather than through expensive camp fencing
- livestock handling infrastructure - crushes, handling areas, ramps for loading, a scale
- improving management and technical support to livestock holders – through farmer to farmer extension and the provision of external expertise in the form of a CPA agricultural manager to facilitate farmer support services

The plan also envisages that:

- Farmers will develop their own kraaling facilities at different water points with assistance from the CPA
- Three rangers will be employed by the CPA who will be equipped with motor bikes and radios who will provide livestock security, monitor water points, make repairs and assist members to implement the agreed grazing plan
- The CPA will make available free supplementary feed in the form of baled maize stova available during winter months to those who have paid their grazing, water point and fencing levies at rates agreed by the CPA. This will be a by product of the irrigated maize grown on the land to be developed for irrigation purposes.

Financing livestock infrastructure

The CPA has to find a way to sustainably finance ongoing investment and maintenance of fencing, water points, rangers and livestock handling facilities from its own revenue. This requires that livestock owners make a contribution by means of a grazing, waterpoint and fencing levy paid per head of large and small stock that they graze on the property. This will have to be carefully introduced so as to secure the support of livestock owners. It will require transparent management of the levies collected and provision of accurate information of how they are spent and reinvested. Once livestock owners have confidence that the money which they pay is going into infrastructure and support services which directly benefit them it is envisaged that much potential resistance will be overcome.

The plan also envisages that livestock owners could have the option to pay in kind, as many will be cash poor but have livestock assets.

The table below highlights the proposed scale of fees payable according to the herd profile of each member.

Livestock unit	Annual grazing, waterpoint and fencing fees
Sheep and goats	R12.00/head/year
Cattle	R72.00/head/year
Horses	R
Donkeys	

A members annual livestock fees will be calculated on the basis of their herd profile which is collected by the State vets and will be made available to the CPA for administrative purposes.

Despite the collection of these fees the plan estimates that the CPA will need to subsidise the costs of grazing, fencing and water point management by about R800 000/ year. This money will have to come from revenues earned from mining and irrigation activities.

Farmer organisation

The organisation of livestock farmers is central to the success of the grazing management plan. The proposal is to encourage all livestock owners grazing in each zone to become a member of the Zonal Farmers' Association. Members in these Associations will work with and be supported by the Agricultural manager and the rangers.

Agriculture plan - Irrigation

We propose three ways to make use of the 180 ha of water rights allocated to the CPA.

160 ha	Commercial maize production, milling of maize and baling of stova
20 ha	Plots for emerging farmers (5 x 4ha plots)
Food security allotments	Small irrigated plots for food security in gardens connected to the settlement areas

Commercial irrigation area

On the main section of irrigation land it is proposed that the CPA establishes 160ha of irrigated land for growing maize. The table below summarises the key steps involved

1. The CPA appoints a project manager to map land to be excised for irrigation and prepare proposals to apply for DWAF and DoA funding and technical support and manage the development of the irrigation land	2. CPA submits proposals to DWAF and DoA for approval of funding support
3. The CPA applies to DME to deproclaim proposed irrigation area to exclude it from future prospecting and mining activity	4. DME approves the deproclamation
5. The CPA appoints an environmentalist to undertake an environmental impact assessment (EIA) and obtain permission to change the land use and prepare the irrigation land. 500 ha should be released	6. CPA submits EIA report to Depts of Agriculture/Environment who approve change of land use and specify what must be done to protect the environment when

to allow for crop rotations	the clearing takes place.
7. The CPA appoints a contractor to clear, prepare and fence the land; install pumping equipment, tanks, pipes and infrastructure to supply water to a centre pivot irrigation system.	8. While the clearing is underway the CPA develops a terms of reference, a sample contract and a bid assessment mechanisms. It advertises for commercial farmers, companies and co-ops to bid for the right to farm the land and sets a deadline for applications.
9. A selection committee appointed by the CPA assesses the bids, shortlists potential candidates, hears their presentations and selects the preferred bidder.	10. The CPA and the preferred bidder sign a contract for five years as a CPA business partner to lease 160 ha of prepared irrigation land, together with irrigation equipment and water rights.
11. On a portion of the irrigation land the partner grows maize to harvest and supply to the CPA in payment for the lease of the land and equipment. Partner required to insure his crops against hail etc	12. During the first growing season the CPA establishes secure grain storage facilities using existing buildings and infrastructure on the farm. It purchases and sets up an electric milling facility
13. At the end of the growing season the partner delivers an agreed tonnage of harvested and shelled maize to CPA storage facilities	14. The CPA mills maize and sells it on to CPA members at an agreed subsidised price (12.5% below shop prices). CPA members benefit from cheaper prices on staple foods
15. The CPA uses the revenue from maize sales to pay wages, invest in agricultural infrastructure on the property and maintain	16. At the end of the growing season the partner bales crop residues (stova) and delivers the bales to different zones for distribution to farmers as supplementary feed

Partnership business models

There are two partnership options for the CPA to consider

Option 1

The irrigation land is leased to a commercial farmer for five years with no empowerment requirements. This model aims to generate revenue for the CPA in the least risky manner. Once the contract expires the land is tendered out on revised and updated terms.

Option 2

Land is rented out to a commercial farmer but the contract includes a training and empowerment factor. Individual(s) from the community are delegated to work with the farmer to develop the skills to take over the operation on behalf of the CPA when the contract expires in five years time. This contract agreement would need to factor in payment of mentee, the acquisition of machinery and other equipment at the end of the contract period and the payment of the farmer to provide ongoing mentorship in the handover period.

Projected income at current prices

Current irrigation land rental values in the area are R4040 per ha to which a Water Board tariff of some R700/ha should be added. (However the CPA would benefit from a sliding scale subsidy on the tariff). Rental returns to the CPA should therefore be based on a value of **160 ha x R4740 = R758400 p.a.**

As noted above it is proposed that the partner pay this to the CPA in the annual form of delivered maize grain and baled crop residue (mainly maize stova) as follows:

Units	Value
500 tons maize grain @ R1250 per ton	R625000
266 tons baled crop residue @ est. R500/ton	R133000
Total value	R758000

Maize meal and crop residue consumption

Maize meal

500 tons grain should provide the annual maize meal requirement for 4080 people. If the Schmidtsdrift beneficiary population is 500 households, at 6 people per household (3000 people) projected maize meal output could feed all the beneficiaries and have maize left over for sale on the open market

Crop residues

10 kg. dry material would maintain 1 LSU for a day. Therefore **266 tons would maintain 443 LSU for 60 days.**

Employment opportunities

Work area	Employment
Irrigation production	18
Maize milling	4
	22

Irrigation for small-scale producers

Twenty ha of land will be allocated to CPA members who will bid for access to the plots. Irrigation in this portion would be under moveable sprinklers or a drip system to minimise water wastage. Participants would pay a nominal rental to CPA (to be decided on by the CPA) but would be responsible for the water charges and their own production costs. Crop selection would be made by farmers themselves, but they should be encouraged to grow 2 crops/yr to maximise income.

The CPA would provide irrigation equipment, fencing, toilets, and basic shedding. Individual farmers would make their own arrangements for any other capital expenditure items, dependent on their production programme.

Economic opportunities would be dependent on enterprises selected, but is likely to be in the region of 40 jobs. Units would be individually managed, or where under group usage, group-managed.

The CPA, through its appointed agent, would be responsible for infrastructure installation and maintenance, as well as the facilitation of grower support services which would include:

- accessing the DWAF - sliding subsidy on water tariff;
- technical advice and studies related to soils and irrigation;
- securing DoA capital assistance through CASP.

Irrigated allotments

The third irrigation component envisages the provision of 1000 sq metre irrigation plots for household use adjacent to the different settlement areas in Zones 4 and 5. It is unlikely that the total allotment area would exceed 16ha

Irrigation would probably be gravity fed (tanks on towers) and delivered by dragline, furrow and/or low-cost "Qualcast" type sprinklers. Participants would not have to pay any rental for the allotments.

Clearly human and livestock water supply has priority in the area. Water supply for allotment irrigation could be obtained from 2 possible sources: dedicated boreholes; or from pumping up of any surplus water from the commercial irrigation site. The latter is likely to have significant cost and maintenance implications.

Given the poor soils in the residential areas, soil would have to be trucked in (possibly by the commercial mining partner as part of social and labour plan) to provide arable soil depth of up to 500mm.

Agricultural rights allocation and management

Milled maize: members rights and obligations

Rights	Obligations
All resident <i>members</i> will receive a specific allocation dependent on the volume of maize that is available at any one time.	Individual members must obtain milled maize from the mill using their own containers and their own transport.

Rights	Obligations
	Payment for the maize must be made in cash when collected

Commercial irrigation plots: members rights and obligations

Rights	Obligations
All members have a right to apply to use a portion of the irrigation land. The allocation of the rights will be according to criteria developed and agreed by the CPA which will specify that:	People applying must have a clear and feasible plan - which the Agriculture manager will assist in developing (with assistance of DoA)
At least 50% of the rights holders must be resident at Schmidtsdrift	People allocated plots must sign a contract with CPA and pay the fees according to the agreement.
At least 30% of the rights holders must be women	Once allocated a plot they must use the land within 6 months or lose the right to cultivate it.
The irrigation right will be for a fixed period which is renewable	Plot holders undertake to keep the land in good order, participate in meetings with the manager and other rights holders, make use of the irrigation and other equipment according to the agreed plan.

Irrigated food security allotments: members right and obligations

Rights	Obligations
All members resident at Schmidtsdrift have a right to apply to use an allotment. The allocation of the rights will be according to the criteria	Members allocated allotments must sign an agreement with the CPA
At least 40% of the allotments must be allocated to women	The land must be used within 6 months or the right is lost
Non-members do not have a right to access an allotment.	Members undertake to care for equipment and infrastructure

Rights	Obligations
The right will be for a fixed period which can be renewed if the agreement is adhered to	Members agree to provide labour for essential joint activities as reasonably determined by the Agricultural manager

Grazing: Members rights and obligations

Rights	Obligations
All members are <i>eligible</i> to apply for a grazing right (whether they live at Schmidtsdrift or not)	Members will ensure that their livestock holding is tagged and recorded by the State vets and undertake that their animals will be inoculated against diseases.
Members' right to graze stock is not automatic and criteria will be developed to determine who gets what rights to graze	Members undertake to report livestock illnesses and deaths to the CPA and the State vets without delay so that preventative measures can be taken.
Current recognised resident non-members have a right to graze - future non-members will not be allocated rights to graze on communal area.	Members will adhere to the stocking rate included in the individual agreement
Rights will be given to: <ul style="list-style-type: none"> • Graze in a particular area • For a specific number of stock • For a specific period after which a new application must be made 	Members agree to pay an annual levy per head of livestock grazed for grazing, fencing and water point services. <ul style="list-style-type: none"> • The amount of the levy, payable per head of stock grazed on the property, will be decided and revised annually. • Members will be allowed to pay their fees in livestock at values to be determined and adjusted from year to year.
All members who have paid their grazing, fencing and waterpoint fees will have access to irrigation stova in winter months in proportion to their herd sizes	Members will join a zonal farmers association and participate in meetings and activities
	Members will adhere to the grazing plan developed by the farmers in association with the

Rights	Obligations
	CPA
	Members will support people responsible for grazing management to ensure that the rules and agreements on livestock management are carried out
	Members agree to contribute labour from time to time for essential activities such as the maintenance of infrastructure, the making of firebreaks, fighting fires etc
	Members undertake to report needed fencing and water point repairs to the CPA as soon as possible

The CPA has an obligation to collect, manage and use all income from grazing fees in consultation with members in organised farmers associations in the different zones

Game

Game policy principles

Five key principles inform the CPA's policy on the management of existing game animals and use of the game farm area.

1. Game at Schmidtsdrift is the property of the Association and an asset to be used for the benefit of its members.
2. Game on the property with commercial value should be regarded as protected from hunting wherever it occurs, except under controlled conditions for the purpose of generating revenue for the CPA.
3. Given the limitations in the size of the game farm and the generally low tourism potential of the area the CPA must combine game farming activities with the grazing of livestock to maximise earning potential
4. The game farm area shall be reserved for the development of game related economic activities and the growing of a commercial CPA cattle herd to generate revenue for the association
5. Those with historical rights to graze in this area of the property will be found alternative grazing elsewhere on the property.

The current situation

The establishment of the game farm has been established with government and donor funding. The boundary has been fenced with a game fence, although the river boundary is not fenced. There has been additional investment in the area consisting of a new entrance facility with a 50m² house. However there is currently no water at this facility and the closest connection to the Eskom power grid is about 3,5km away.

There is also an ablution and kitchen facility which has been erected near the river, but not adjacent to it. There is no Eskom power at this site but a small solar panel has been installed for lights. A borehole is nearby which has a solar pump and two panels. However the water quality is apparently very poor.

Overall the potential of the game camp is limited by:

- Low productive capacity of the veld as a result of low rainfall, high summer temperatures and low winter temperatures, poor soils, poor species composition of the grass layer; the past disturbance from mining and more recently, what appears to be heavy grazing
- The generally low tourism potential of the area
- Inadequate analysis of actual costs and benefits when the project was planned

Currently there is no management of the area.



Approach

The plan sets out to make productive use of the available resources and to generate income for the CPA from the game farm. Phuhlisani has examined different ways to ensure that the game farm generates some income and does not become a drain on the CPA. The approach involves combining different land uses and the generation of income from different sources on this portion of land

Game plan

Key elements of the game farm plan include:

- selling live game;
- hunting, this is differentiated into two categories:
 - biltong hunting, mainly for the local market and
 - trophy hunting mainly focussed at the international market
- managing a community cattle herd alongside the game on the same portion of land.

The table on the next page summarises the game and cattle to be introduced together with their annual removal targets and associated costs

Game summary

Bulk Grazers

Species	Target No	Introduction No	Purchase price per animal	Annual rate of increase without pred	Total cost of introduction	Years to reach target	Income at max yield without pred	Percentage of total income	Percentage of game introduction total	Annual removal
Cattle	86	-	R 5,000	50%	R 0	1.34	R 146,401	71%	0%	43
Plains zebra	23	12	R 4,500	12%	R 56,469	6.12	R 10,283	5%	27%	3
Bulk Allocation										
Concentrate Grazers										
Springbok	55	2	R 450	20%	R 1,406	3.80	R 3,414	2%	1%	11
Gemsbok	15	8	R 3,500	10%	R 29,379	7.27	R 4,547	2%	14%	2
Impala	54	21	R 650	20%	R 16,672	3.80	R 5,754	3%	8%	11
Red Haartebeest	13	7	R 3,500	23%	R 25,266	3.35	R 8,875	4%	12%	3
Ostrich	16	8	R 600	15%	R 5,859	4.96	R 1,188	1%	3%	2
Wildebeest blue	15	7	R 2,000	12%	R 17,525	6.12	R 3,185	2%	8%	2
Warthog	24	12	R 0	25%	R 0	3.11	R 3,645	2%	0%	6
Concentrate alloc.										
Mixed Feeders										
Eland	15	8	R 6,500	15%	R 53,295	4.96	R 3,680	2%	26%	2
Duiker	11	-	R 0	20%	R 0	0.49	R 10	0%	0%	2
Mixed allocation										
Browsers										
Kudu	40	0	R 2,500	20%	R 316	3.80	R 15,770	8%	0%	8
Browser allocation			R 0	0%	R 0					
Total		84			R 206,188		R 206,752			95

Overall management costs

Item	No	Amount	Total
Staff	3	R 19,200	R 57,600
Staff benefits		R 2,000	R 6,000
Vehicle	3,500	R 3.50	R 12,250
Equipment			R 5,000
Sub-total			R 80,850
Maintenance			
Water			R 7,500
Fence & gate			R 15,000
Housing			R 5,000
Sub-total			R 27,500
Services			
Water & electricity			R 3,000
Communications			R 2,000
Sub-total			R 5,000
TOTAL			R 113,350

Hunting costs

Hunting accommodation	No	Rate per day	Total
Staff	2	R 80	R 4,000
Travel	1,500	R 3.50	R 5,250
Supplies			R 3,000

Hunting accommodation	No	Rate per day	Total
Maintenance			R 10,000
Marketing			R 7,500
Admin and banking			R 8,000
Insurance third party liability			R 3,500
Other			R 5,000
Total			R 46,250

Income, expenditure and projected profits

The table projects an income of about R210 000 a year from the game farm while expenditure is between R110 000 and R160 000 – depending if hunting is involved. Profit therefore is very limited - only between R50 000 and R100 000 a year.

If the CPA cannot manage the threats of illegal hunting of its game, livestock theft and unauthorised grazing in the area the game farm will quickly run at a loss as the profit margins are very narrow and will easily undermined by such factors.

Development of business sites

Section 24 of the draft CPA Constitution contains the following section on the allocation and management of business sites

24. Rights and duties for business sites in declared township areas
 - 24.1. The township layout plan makes available a number of sites for business purposes of different types.
 - 24.2. Business sites remain the property of the Association.
 - 24.3. The Association will liaise with the Municipality with respect to the development of the sites zoned for business.
 - 24.4. The Management Committee will develop and monitor policy on business site allocation procedures and site rental which will be presented to the General Meeting for approval and amendment from time to time.
 - 24.5. With the approval of a General Meeting the Association may decide to allocate funds and develop business premises on certain sites. These premises may be rented to members or to approved external investors on short term renewable leases.

24.6. The Association may also decide to lease undeveloped sites on long term leases to members. In such cases the lessee will submit plans to the Association and develop the site at their own expense and thereafter pay a nominal rental as agreed.

24.7. The Association may decide to lease a business site to an outside business person who is not a member on a short or long term lease, where members at a General Meeting agree that the person will provide a service which will benefit the Schmidtsdrift community.

24.8. The Association will develop standard leases for business premises with the assistance of their lawyers.

24.9. No business site may be allocated or operated without a signed lease between the Association and the lessee specifying the terms of occupation, rental and service payment requirements and other conditions.

24.10. Persons leasing business sites do so on condition that they adhere to the terms of the business site rental and development policy and the conditions of their lease.

24.11. The Management Committee is empowered to terminate the lease and evict occupiers who are in breach of the policy or rental agreement subject to legal provisions which may apply.

Business site policy principles

Section 24.4 of the Constitution requires the CPA to develop clear policy for the allocation and management of business sites

Four key principles inform the development of this policy:

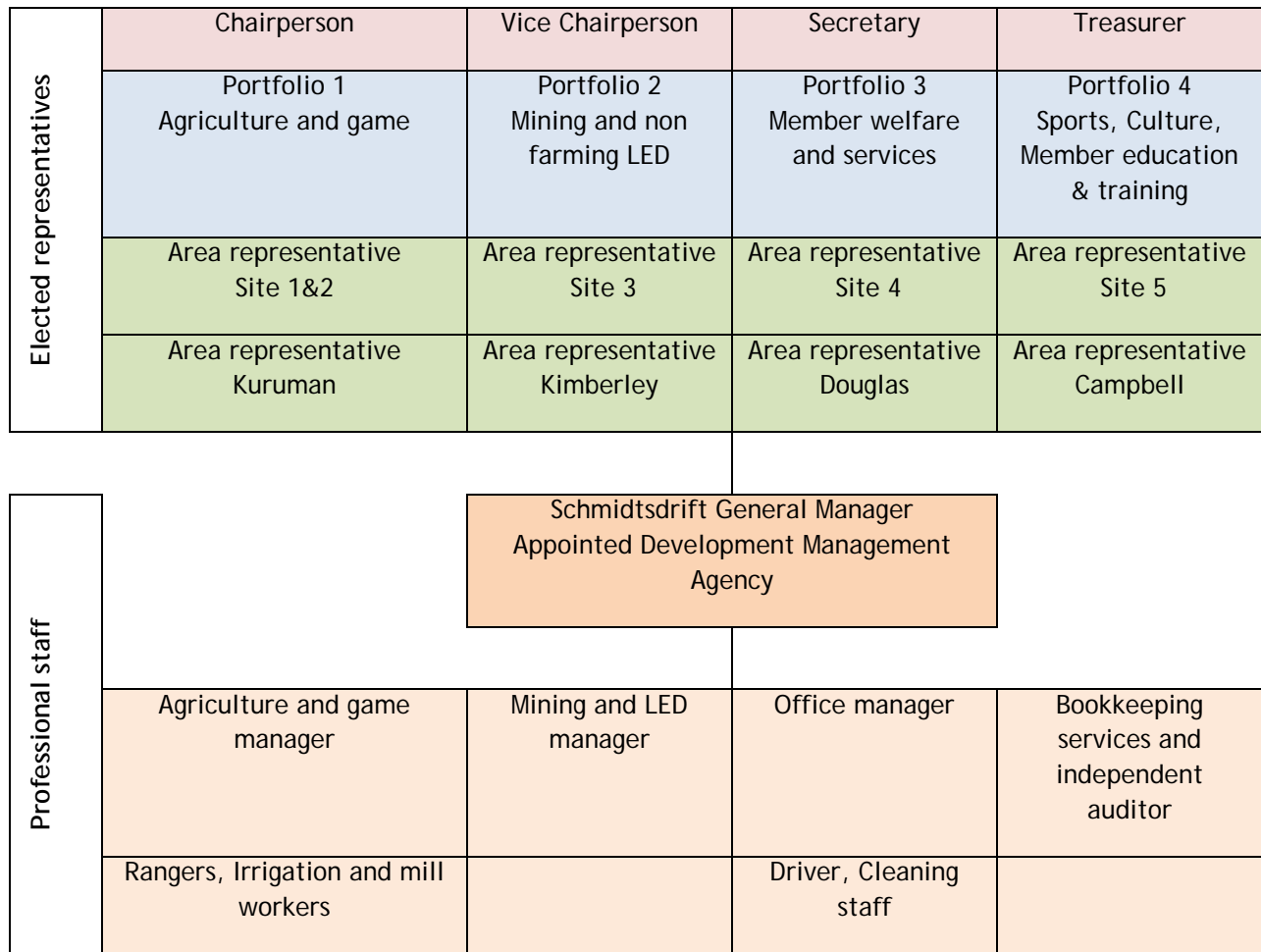
1. The CPA will actively seek to develop opportunities for business development and entrepreneurship amongst its members.
2. Members of the Association who present viable business plans with equivalent benefits will qualify for preferential access to a business sites ahead of outsiders seeking to invest at Schmidtsdrift.
3. Where there is competition for site occupancy and development amongst the membership, the CPA will opt for the bidder who provides the best package of direct and indirect benefits to the CPA and its members.
4. The CPA must generate revenue on behalf of its members from the rental and development of business sites and must evaluate different development options against their potential to provide revenue and bring needed services to the community.
5. The CPA will periodically call for expressions of interest amongst its members and more broadly for the development and rental of designated business sites.

CPA management structures and functions

Elected representatives

The draft revised Constitution proposes a management committee of sixteen carrying out three different types of management and oversight functions

1. The top four Executive Members responsible for ensuring the overall management of the Association and accountability to the members
2. Four Executive Members with development portfolios with responsibility for ensuring development and monitoring progress in four key programme areas
3. Eight Area Representatives responsible for member communication and ensuring that local needs and concerns are addressed by the CPA



Committee portfolios

The Chairperson

The Chairperson provides leadership for the Association. S/he is responsible for the smooth running of the Association and the implementation of its Constitution, policies and plans. The Chairperson together with other members of the Management Committee account to the membership through holding regular general meeting and providing reports and information.

The Chairperson is also responsible for building the profile of the CPA with Provincial and Local Government, promoting the objectives of the Association and securing benefits for its members at every available opportunity.

The Chairperson works closely with the members of the Management Committee and the professional staff/management agent to build a strong and capable management team.

The Secretary

The Secretary oversees the internal workings of the Executive and the development of management and information systems with the support of the professional staff.

S/he is responsible for guiding, monitoring and supporting the work of the Office Manager, Driver and Cleaning staff to ensure the development and operation of office systems including word processing and filing of documents, financial transactions receipts and invoice. S/he is accountable for the documentation of meetings with the support of office staff and for ensuring the proper management of office computers, printers and equipment ensuring data security. She has responsibility for ensuring functioning telephone and communication systems.

The Treasurer

The Treasurer is responsible for the smooth and transparent financial management of the Association with the support of the General Manager, the Office manager and the contracted accounting and auditing professionals.

S/he is responsible to ensure that the CPA prepares and presents a budget for the approval of its members and to report on expenditure against budget to Management Committee meetings and Quarterly meetings. S/he is responsible to ensure that an Annual Financial Report is prepared and audited. S/he is responsible for the presentation of financial reports to the membership and for authorising financial transactions made by the CPA.

The Vice Chairperson

The Vice Chairperson deputises for the Chairperson when they are not available and assumes their functions. The Vice Chairperson provides support to the Chairperson and other members of the MC

The Agriculture and Game Farm Portfolio

This strategic portfolio is responsible for the sustainable use of grazing and natural resources at Schmidtsdrift; for improving farmer organisation and agricultural output, developing the irrigation and game farm potential.

The portfolio has political responsibility for ensuring the implementation of the agricultural and game farm plans and that all the functions contained within the Agricultural and Game Farm Managers job description (see below) are properly planned, implemented and evaluated.

The Mining and non Agricultural LED portfolio

This portfolio is responsible for the development of the community mining sector at Schmidtsdrift and for securing maximum benefits from partnerships with commercial mining companies on the land where Schmidtsdrift Mining Enterprises operates. S/he is also responsible for the development and implementation of a LED strategy and the promotion of small business opportunities for members. S/he oversees all the functions contained with the Mining and LED manager's job description below.

The Member Welfare and Services portfolio

This portfolio is responsible for securing services for members resident at Schmidtsdrift. S/he will work closely with local government officials, health professionals and NGOs to secure benefits and support for old people, children, households with sick or terminally ill members. The Portfolio is responsible for ensuring that the members database is kept up to date and that members are issued with membership cards

The Sports, Culture, Member Education and Training Portfolio

This portfolio is responsible for the promotion of sports and cultural activities at Schmidtsdrift and the development of education and training opportunities for the membership and their children attending the local school. The Portfolio holder will work closely with local government officials and the Community Development Worker as well as the School Governing Body. They will be responsible for building relationships with cultural, sporting and funding bodies to leverage external resources for people living at Schmidtsdrift.

Area representatives

Area representative are the hands and feet of the CPA. They communicate with members and ensure that members' concerns are addressed by the Management Committee. On farm representatives work closely with the Portfolio holders, management and staff to ensure that services and development initiatives find their way to the people in the areas that they represent.

Professional management staff

There are two options for how the Management Committee gets professional management support

1. The MC appoints a Schmidtsdrift General Manager with responsibility for recruiting and managing a team of professional staff. These people are employees of the CPA who must take responsibility for paying their salaries and benefits
2. The MP appoints Development Management Agency which is responsible for managing the different development functions set out in a performance based contract negotiated with the CPA. The DMA appoints, manages and pays staff on a renewable short term contract basis. Staff selection and appointment takes place in consultation with the CPA.

General Manager

The GM is responsible to:

- manage and monitor the performance of the team of professional staff and assist in their development
- ensure that they have clear job descriptions, work plans and performance targets
- assist the CPA to develop the Land Use and Development Plan for presentation to the members for their approval
- work with and support the Management Committee and the line managers to develop clear and feasible implementation plans in each development area with clear budgets, capacity statements and measurable targets
- support managers and Executive portfolio holders to implement and report on these plans
- develop and put in place effective management systems to ensure that the CPA becomes an effective institution
- develop proposals and plans under the direction of the MC and in association with the different line managers for securing grants and funding from government departments and donors
- prepare activity reports and analysis for the MC and general meetings in association with Executive members
- ensure the preparation of monthly financial statements for the CPA Executive and portfolio holders which provide budget to expenditure and cash flow analysis in each key activity area together with the Treasurer and in co-operation with the bookkeeper and auditor
- provide strategic analysis and support to the Executive to enable it to optimally manage the affairs of the CPA
- support the Treasurer to oversee CPA investments and savings and ensure that they are well invested and secure
- provide clear financial reports on income expenditure in key activity areas and provide early warning of any problems to ensure transparent financial management

Agriculture and Game Manager

The Agriculture and Game Manager is responsible to work closely with and support the member of the Management Committee who holds the Agriculture and Game Portfolio in order to:

- Develop and implement the Agriculture and Game farm components of the CPA Land Use and Development Plan
- Manage and supervise rangers, irrigation support staff, milling staff and game facility staff
- Liaise with Area representatives and Zonal Farmers Associations to create high levels of trust and co-operation
- Ensure the maintenance and repair of fencing and water points
- Ensure that all livestock is entered into the Veterinary Services database and that this information is available to the CPA for management purposes
- Implement the grazing management scheme and ensure that members pay their grazing, fencing and water point fees
- Liaise with the commercial irrigation operator to ensure co-operation and prompt problems solving
- Manage the milling operation and the distribution of baled stova to different zonal associations
- Provide support and technical advice to small scale irrigation farmers on irrigation plots together with households who have been allocated a household food security allotment
- Liaise with government extension and veterinary staff and relevant specialists in other departments, NGOs and the private sector to obtain quality advice and support for agricultural and game farm development
- Manage the CPA herd on the game farm

- Manage the game sales and hunting bookings
- Ensure the maintenance of CPA owned vehicles and agricultural equipment
- Develop programmes to manage invasive aliens and rehabilitate degraded veld
- Ensure that the CPA has measures in place to reduce the risk of veld fires and to combat those which threaten those which threaten game and grazing resources in co-operation with local farmers associations

Mining and LED Manager

The Mining and LED Manager is responsible to work closely with and support the member of the Management Committee who holds the Mining and LED Portfolio in order to:

- Develop and implement the Mining and LED components of the CPA Land Use and Development Plan
- Develop the community mining zone
- Monitor trends in the mining sector and develop a network of resource persons to provide technical and mining management advice
- Revise and update the social and labour plan for Zone 16
- Oversee the initial drilling and resource assessment
- Prepare the tender bidding process for the allocation of mining concessions to community mining entrepreneurs and their partners
- Put in place an independent tender assessment committee
- Put in place systems to monitor the production and output of the community mining concession holders to ensure that the CPA receives all the royalties owed to it
- Oversee and monitor the Mining companies' rehabilitation targets and check the quality of rehabilitation
- Liaise with the new Partner of the CPA on the main mining area to ensure the promotion and skills development of CPA members employed on the mine
- Monitor the development and implementation of the Social and Labour Plan once a new mining partner is found who acquires a mining licence
- Identify and develop non agricultural economic opportunities for members at Schmidtsdrift including the development of business sites in the residential areas and support small business start ups

Office manager

The Office Manager is responsible to work closely with and support the Management Committee and Professional staff in order to:

- Ensure the development and operation of office systems including word processing and filing of documents, financial transactions and receipts in Co-operation with the Secretary and the Treasurer
- Manage and oversee the office computers, printers and equipment ensuring data security, maintenance and repair
- Obtain stationery and computer consumables
- Keep the members register up to date in co-operation with the Portfolio responsible for member Welfare and Service
- Communicate notices to members by means of bulk sms
- Issue members cards
- Prepare for meetings of the MC and General Meetings in co-operation with the Secretary

- Manage the work of the office cleaning and support staff
- Ensure that a vehicle log book is kept and all trips recorded

Outsourced accounting and auditing functions

These functions will remain outsourced to independent service providers as at present.

The General Manager together with the Treasurer and the Office Manager will have primary responsibility for ensuring that the Book keeper receives all the primary accounting documents – cheque requisitions, receipts, invoices, bank statements in order to prepare monthly statements and management accounts.

The independent auditor ensures that the CPA financial systems conform to proper accounting practice and prepares an annual audited statement of the CPA's accounts

Workers

The plans assume that the CPA will hire workers to carry out different functions. These include:

- Rangers
- Irrigation support staff
- Milling staff
- Cleaning
- Security

The CPA will prepare detailed job descriptions for these posts and determine pay and benefit scales for these employees once the plans are finalised and adopted and a new Executive is in place.

Developing CPA management policies and strategies

As part of the training and orientation programme for the incoming CPA Executive Phuhlisani will facilitate sessions on:

- The CPA Constitution
- Current CPA financial statements
- CPA portfolios
- Staffing and management agency options
- Determination CPA allowances and staff remuneration
- Transport policy and management of the CPA vehicle
- Investment and management of CPA financial assets
- Member communications

Conclusion

This document provides the CPA Executive and the Commission with clear information on how far we are with the development of plans and the completion of our task.

In the final phase we will tighten up and further align plans and budgets to produce a concise summary document. We have begun work on the outline of an implementation plan for each of the focus areas which will be completed prior to the AGM.

We have begun preparations for a Special General Meeting which will discuss and approve the revised constitution and the planning proposals. Assuming a positive outcome from this meeting Phuhlisani will make final amendments to the plans and produce the final draft for handover to the incoming CPA

We will soon begin preparation of the training programme for the incoming members and follow up the Commission with regard to the provision of ongoing management support to the CPA to enable the smooth implementation of the plans.

