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Transforming Smallholder Agriculture in Africa:
The Role of Policy and Governance



An assessment of the department of water and sanitation's delivery model of the current resource poor farmers funding policy

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**An assessment of the department of water and sanitation's delivery model of the
current resource poor farmers funding policy**

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ABSTRACT

Rural Development has emerged as a national priority and access to water a key ingredient to unlock possibilities for satisfying livelihoods strategies for the rural communities and Historical Disadvantaged Individual (HDI) farmers who do not have enough resource. Without access to sufficient water for both domestic and productive uses in and around the household, the rural poor and most vulnerable are excluded from options that would allow them to diversify and secure their sources of livelihoods and thus reduce their poverty level. The policy and practice of agriculture in South Africa has changed over the past two decades to accommodate these resource poor farmers but the assistance is often not well-coordinated.. Department of Water and Sanitation (DWS) has been implementing Resource Poor Farmer (RFP) policy that aimed at assisting resource poor farmers with funds to purchase water infrastructure. DWS requested Agricultural Resource Council to undertake a study to review the RFP policy with intention to enhance accessibility of funds and relaxing some requirements needed during application process. The study results suggested improvement in the application process and alignment of support towards resource poor farmers.

Keywords: Rural development, livelihoods, Resource Poor Farmer, policy review

INTRODUCTION

The South African government has undertaken massive reforms aiming to address rural poverty and inequalities inherited from the past apartheid regime. Rural development is seen as a transversal function that cannot be executed successfully without the collaboration amongst a variety of partners. South African rural communities have a way of dealing with their desperate situations. It is called livelihood diversification, it is a strategy out of poverty towards resilience and sustainability. Resource poor households consist of families who have no arable land or grazing rights (Perret *et. al.* 2008). Farming remains to be the main livelihood activity among rural communities and farmers in such a set-up lack farming resources. Department of Agriculture Forestry and Fisheries' Strategic Plan for Smallholder Support (SPSS) document (2011-2015/15) categorises such resource poor farmers as smallholder farmers.

There are different government departments that are playing a big role in assisting the resource poor farmers. Agricultural support (in a form of agricultural infrastructure and financial assistance) comes from the Department of Agriculture Forestry and Fisheries (DAFF) through programmes such as Comprehensive Agricultural Support Programme (CASP) and Micro Agriculture Finance Institute of South Africa (MAFISA). The department' Strategic Plan for Smallholder Support acknowledges that South Africa is a water-scarce country wherein additional opportunities to irrigate are scarce, and in light of which a national decision has been taken to reduce the share of water resources allocated to agriculture (DAFF, 2011-2014/15). This calls for more support towards the farmers in this regard. Department of Rural Development and Land Reform (DRDLR) gives the resource poor farmers access to land. Financial assistance towards purchasing irrigation infrastructure for the resource poor farmers is offered by the Departments of Water and Sanitation (DWS).

The government outcomes stated in the Medium Term Strategic Framework (MTSF) of 2014-2019, includes Outcome 7. The outcome caters for vibrant, equitable, sustainable rural communities contributing towards food security for all. It is regarded as South Africa's rural strategy that seeks to strengthen food security and agricultural competitiveness, while lifting marginalised rural households, especially in former homeland areas, out of poverty. It seeks to bring about an improved coordination between land reform and land use, provision of communal tenure security, increased financial and technical support to farmers, and the provision of improved social and physical infrastructure (MTSF 2014-2016). However, despite this growing commitment, rural communities are still faced with developmental problems including lack of access to water for productive uses. The factors contributing to lack of access to water for productive uses and extreme poverty conditions in rural areas are multiple and often interlinked, requiring an integrated and holistic approach in addressing them.

MODEL OF WATER PROVISION TO THE PUBLIC

The article starts with a brief explanation of the government vehicles in delivering water to the public. This is followed by details of a study that reviewed Resource Poor Farmer (RPF) policy. The report shows the literature on policy review that was explored and the RFP study

objectives, study methodology and data analysis that were explained together with the study results. The article ends with some study conclusions and recommendations.

South Africa remains as one of the few countries in the world that regard water as a basic human right, an approach that has attracted a lot of interest and admiration internationally. Amongst many, other driver behind these ambitious goals is the realization that development and improved quality of life for all cannot be attained without water.

There is a considerable effort by policy makers and service providers to address the water needs of the rural poor and the most vulnerable, through policies and service delivery strategies that recognize the vital role of water in rural development and alleviating poverty at large.

The mandate of the DWS is set out in the National Water Act (1998) and the Water Services Act (1997). The department's legislative mandate seeks to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled through regulating and supporting the delivery of effective water supply and sanitation. This is done in accordance with the requirements of water related policies and legislation that are critical in delivering on the right of access to sufficient food and water, transforming the economy, and eradicating poverty (Estimates of National Expenditure, 2015).

The Department's Water and Sanitation Services programme executes the objectives that include: Supporting the provision of water through the installation of rainwater harvesting tanks to households over specified period. Enhancing the provision of water and sanitation services by facilitating sector collaboration, and coordinate intergovernmental relations on the provision of these services as and when required (Estimates of National Expenditure, 2015).

The development of an implementation framework for financial support to water based rural livelihoods and food security project is one of the DWS initiatives. It is intended to open up innovative opportunities around productive water uses while also relaxing some of the rules in the existing Resource Poor Farmers (RPF) policy and its implementation framework.

The current policy allows for funding that enables the resource poor farmers to purchase rainwater harvesting tanks and rehabilitation of irrigation water infrastructure (canals, pipelines, leidams and valves).

Some of the RPF policy products were similar to products that were offered by other stakeholders such as DAFF and DRDLR. Among the product packages offered by DAFF were rainwater harvesting tanks, borehole drilling and upgrading of water infrastructure. Packages from DRDLR included provision of domestic water rollers, water reservoir (1.5 megaliter) and rainwater harvesting tanks.

STUDY OBJECTIVES

DWA commissioned a study to the Agricultural Research Council-Institute of Agricultural Engineering to assess the current implementation framework of RPF policy. The study was carried out in seven of the nine provinces of South Africa. This was done to understand the

limitations of the way DWS is currently executing the policy to meet the objectives set in the policy.

The study objectives included:

An overall objective that aimed at enhancing accessibility of funds and relaxing the requirements in the application process for the historically disadvantaged individuals.

Specific objectives included:

Develop an implementation strategy for contributing to the creation of vibrant, equitable and sustainable rural communities.

Contribute towards sustainable access to water for productive and domestic uses for rural communities.

LITERATURE REVIEW

Policy review

South Africa has undergone immense social and economic change over the last 20 years led by the abolition of apartheid and dramatic domestic policy reforms aimed at creating a more open and market-oriented economy. Evolution of agricultural sector which involved changes in the sectoral policies are highlighted and also policy developments within the water sector are reported.

Organisation for Economic Cooperation and Development review (2006) looked at the role of agriculture in the South African economy and how the structure of the agricultural sector evolved. The report highlighted some of the main impacts of policy reform on the sector. How recent and ongoing sectoral and economy-wide policies contributed to food security and poverty reduction. The report also recommended that continued land reform was one of the most important agricultural policy challenges. It further recommended that development of the necessary technical and social infrastructure, as well as an effective service sector, were critical measures. The report concluded that the conditions for agricultural production were not favourable in most regions (with the notable exception of the winter rain area in Western Cape) due to poor land quality, highly variable climatic conditions and a scarcity of water.

In concluding the literature section it is important to state that Idachaba (2010) emphasizes that the constant food and agricultural policy failures, especially implementation failures, in most sub-Saharan African countries may be rooted in serious defects in both the theory and practice of food and agricultural policy. Idachaba (2010) also concludes that quite often, policy is characterized by so-called policy mistakes, unintended consequences and the emergence and dominance of unintended beneficiaries of policy¹.

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METHODOLOGY AND DATA ANALYSIS

The interviews with stakeholders regarding the implementation of the Resource Poor Farmers (RPF) policy were carried out by the Agricultural Research Council's officials. The interviews were conducted with 62 beneficiaries of the RPF policy. There were also one-on-one interview sessions with key informants, $n=7$ (who were policy implementers in each province). The questionnaires used in both interview sessions had close-ended as well as open-ended questions.

During the interviews the purpose of the RPF policy review was explained. It was also clarified that policy implementation, referred to the activities and operations of various stakeholders toward achieving the goals and objectives articulated in the RPF policy. They were informed that results of the interviews would be used to clarify policy guidelines, address barriers to implementation, improve resource mobilization, in overall, the results would contribute as inputs for the policy reform.

Data that was collected from the respondent was captured and coded using excel spreadsheet. Both SAS Software and Microsoft Excel were used in the analysis. Mainly frequency analysis and descriptive statistics were used in the analysis of responses and the results were presented in the SAS output format and excel graphs. Chi-Square values were displayed to show variation between the variables.

The analysis considered the application process that the respondents were subjected to when requesting financial assistance towards purchasing irrigation infrastructure. The following elements were explored: application process, application requirements, qualification criteria, policy products and services and activities around handling of an application form. Based on the observations drawn, recommendations on how to improve the implementation and monitoring efforts were suggested.

RESULTS

Since it is important that the policy analyst be able to translate the research findings into non-technical language that the civil servant policy maker can understand, the study reported the results in an easy to follow format. The results are from the policy beneficiaries' sample.

The sampled population characteristics in terms of number of respondents, age and level of education are as shown in Figure 1, Figure 2 and Figure 3, respectively. More than 30 % ($p = 0.002$) of the beneficiaries interviewed fell in the 61 – 70 age group. On the other hand, only 6 % fell in the 21 – 30 age group. These results are consistent with a world-wide view that at an early age people are still hesitant to venture into agriculture. Over 54 % ($p < 0.0001$) of the beneficiaries interviewed were non-matriculantes while about 19 % have matriculated. Only 27 % of the respondents have attained tertiary education with a technical certificate, diploma or degree.

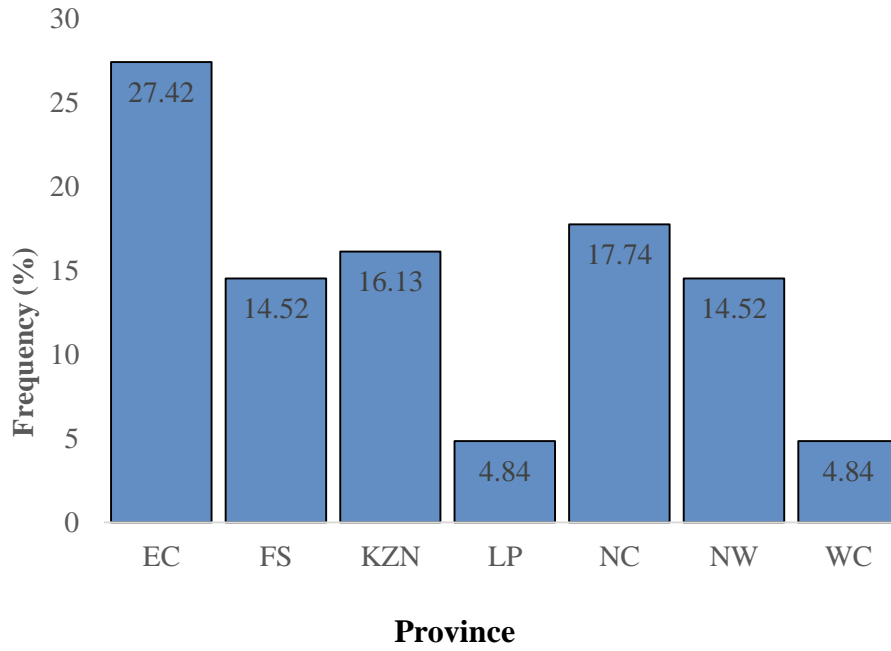


Figure 1. Percentage of respondents per province

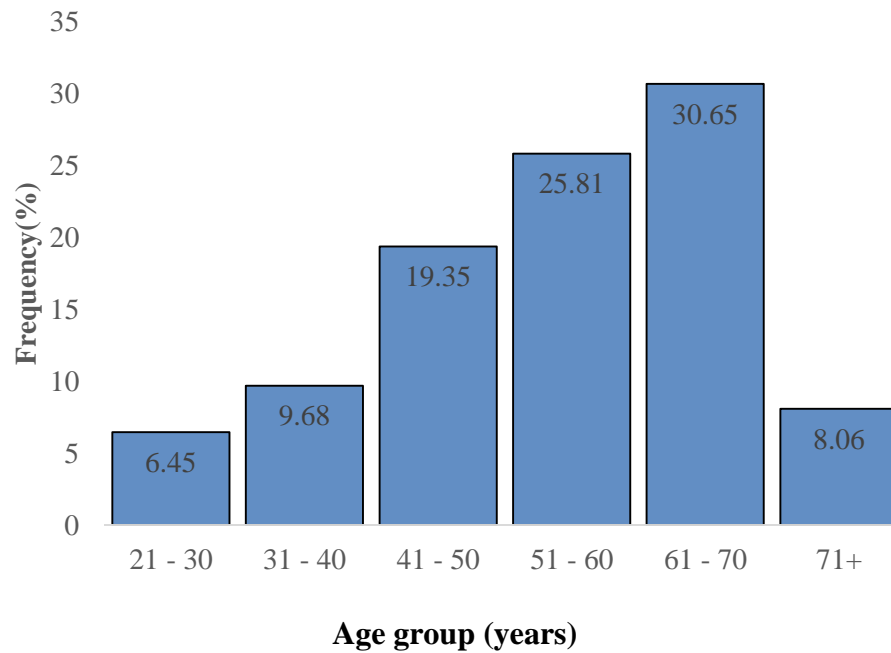


Figure 2. Age groups of respondents

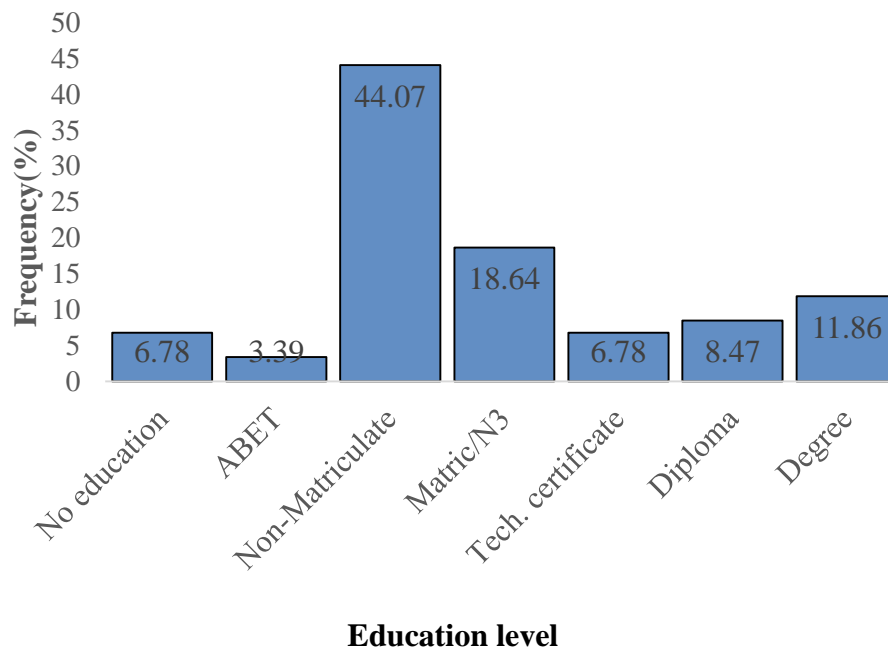


Figure 3. Level of education of respondents

In the following discussions some of the key results are explained:

Sources of information

The beneficiaries of the RPF policy got the information regarding applications for financial assistance towards purchasing water infrastructure mostly from DWS (43%), followed by television (35%) then from DAFF (12%).

Application process

The process starts by DWS Community Development Officers (CDOs) doing the needs analysis among the rural community members or walk-ins by the applicants at DWS offices. Once the application form is completed it is submitted to DWS for further submission to the committee responsible for assessing application and making recommendation. It has been reported that the recommendation by the committee may take long, sometimes stretching to two to three years. The survey revealed that there were no committee standards to recommend or decline an application. The whole approval process was regarded by respondents as too bureaucratic and causing some delays that were experienced in the application process.

Turnaround time

Turnaround time is the most noticeable signs of service delivery and can be used as a key performance indicator for the delivery performance in the department. The survey revealed that the turnaround time for the application took long. Turnaround time was not satisfactory as there were respondents who could not remember when last they had submitted their application forms.

Application form

It was found that the application forms did not have contact details of processing offices or the national office. The forms did not reflect the new name of the department. The old name on the forms misled the intended policy beneficiaries. The existing application form was not coded like other government's forms.

Respondents preferred that the application form be amended, that is, a section that referred to 'particulars of the legal entity' be changed to 'particulars of an applicant'. The reason being that the latter did not exclude anyone from applying.

Despite all the glitches found during the survey, more than 80 % of the respondents agreed to retain the current application requirements and suggested that the DWS should deal with the critical requirements for qualification.

Assessment of Human resource and information

Human resource which referred to officials who were involved with the implementation of the policy and responsible or giving information was evaluated in terms of accessibility, availability and willingness to assist. The assessment considered officials' roles and responsibilities while implementing the policy. Sixty percent (60 %) of the respondents ranked accessibility, availability and willingness to assist as sufficient.

Accessibility and availability of information related to RFP policy and application process were also assessed. Fifty-two percent (52%) of the respondents ranked accessibility and availability of information as sufficient.

Funding

The RFP policy has capped budget per product. Since budget is released based on approved applications, in a case of a budget cut, approved applications ended up with no funding and thus impacting the clients' business plan negatively.

Stakeholders' support packages

Clients struggled to differentiate RPF policy support packages as there were similar product that were offered by other departments. That was evident when respondents would mention support given by other departments and not DWS.

CONCLUSIONS

Though the existing financial assistance model was marked with limitations that have been identified during the study, more than 80 % of the respondents agreed to retain the application requirements but suggested that only critical requirements for qualification should be dealt with. Turnaround time was not clear.

Since the policy information was made available mainly through CDOs that resulted in situations where resource poor farmers who were not in contact with CDOs were left out.

RECOMMENDATIONS

The study recommended that the application forms for financial assistance be coded or serialized like other government forms. A definition of approved legal entity on the application form was proposed to be revised. The structure and content of business plans be made uniform.

Other productive water uses be identified and listed in the revised framework in line with national water policy review. It was suggested that the turnaround time of the application be pre-defined and applicants be informed of such time for their planning purposes.

It was also recommended that there should be a continuous training of DWS officials on water needs assessment and business plan development

It was also recommended that there should be an improvement in the interaction of the various spheres of government with regard to planning and implementation of strategic and catalytic project, especially when they focus on common priorities to eliminate the respondent confusion. Such an alignment can be arranged, for instance, DAFF has indicated in its Strategic Plan for Smallholder Support similar interest as that of DWS and DRDLR when it concluded that further rehabilitation of homeland irrigation schemes was urgent, and there was also scope to increase smallholders' access to irrigated land by means of land reform. In that case, all the departments that have got interests towards the same clients should co-ordinate and align their support plans and specify as to who will assume primary and secondary roles.

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