

**Minister of Public Works
Ms Stella Sigcau
20 October 2000**

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Ncora Community Production Centre, Eastern Cape

Master of Ceremonies
Premier of the Eastern Cape, Rev Arnold Stofile
MEC for Agriculture, Mr M Mamase
Chairperson of the Stormberg District Council,
Mr M Sigabi
Chairperson of the Ncora Irrigation Trust, Mr E Gqiba
Mr Stanley Mashanyu from ESKOM
Distinguished Guests
Ladies and Gentlemen

Today marks an occasion of great importance in the implementation of the Community Based Public Works Programme. It is the first launch of a Community Production Centre (CPC).

One of the major objectives of the project is the sustainable economic growth and development in a relatively underdeveloped area, according to the local inherent economic potential. The objective of the project is to generate long term and sustainable employment for the local inhabitants of the area. It is a requirement of the investment in this project that SMME opportunities be identified and promoted, thereby ensuring sustainable development of the Ncora/Qamanku Irrigation Trust and the neighbouring communities with spin-off benefits to the broader region.

The CPC concept is an initiative by the Department of Public Works in conjunction with the Ministry for Agriculture and Land Affairs to rehabilitate rural irrigation schemes and provide agricultural infrastructure. The main object of this approach is to ensure that our poverty alleviation programmes have broader impact on improving the quality of life of many people in rural areas in a productive and sustainable way. By working together to alleviate poverty, we are not only creating a better life for all, but we are restoring the dignity of our people.

The CPCs have been conceptualised on the same basis as the Farmer Support Centre (FSC). Such centres are established with a view to promoting community ownership and emerging farmer participation in production activities for the market. To make these CPCs vibrant economic nodes, the programme promotes value-adding processes so that these CPCs can also be used as centres for skills development.

CPCs will be funded by government only at their initial stages. Thereafter they will be self funding through generation of marketable crops. Joint ventures between the communities are also possible.

Pilot projects are under way in Makhathini Flats (200 000 people) and Ndaya (15 000 people) in KwaZulu Natal, Lambasi (56 000 people) and Ncora (40 000 people) in the Eastern Cape and Veeplaas (30 000 people) and Elandskraal (15 000) in the Northern Province.

At Ncora, the Trust has been established and registered for the purposes of acquiring and administering the fixed and movable assets of the Ncora Irrigation Scheme. Treasury Regulations have been adhered to and we can hand over the assets for use to the communities as agreed.

Giving practical effect to the Integrated Rural Development Strategy, the Department has initiated a new approach of clustering projects to serve a greater number of people in surrounding villages.

The other arm of this programme manifests in Multi-purpose centres. The provision of such infrastructure allows for integration of service delivery by different Government Departments with the purpose of achieving better social cohesion. These are one-stop service and activity centres with multi-purpose facilities. For example, the idea is that apart from social cohesion facilities, specific service rendering facilities such as a post office, pension pay point, a creche, library and clinic will be included.

The confirmation of funding through the MTEF over the next three years has presented an opportunity to accelerate the implementation of the Community Based Public Works Programme. The planning for CBPWP projects which normally takes about six months can now be done ahead of each financial year.

By expanding on this clustered infrastructure development, communities should benefit optimally in opening up future development potential around areas of collective use and activity, made more accessible by

transport, to eventually become economic nodes in themselves.

This is where the continued participation and dedication of all members of the community to care for their environment and build lasting and sustainable working entities from these premises, is of the utmost importance.

We all realise that the infrastructure created through the Community Based Public Works Programme provides but a drop in the ocean of need. It is through the sustained operation and further spin-offs in utilisation of the facilities created that the real empowerment and economic participation will have a maximum impact on addressing poverty.

I do want to believe that as an intrinsic element of poverty alleviation, these larger scale CPC projects, with a strong agricultural bias, will integrate not only greater co-operation with our sister departments in community development, but also a revitalisation of existing, albeit neglected or abandoned infrastructure. We want to ensure maximum utilisation of what is already there and build onto that.

These projects illustrate co-ordinated development, operationalisation and management by various levels of government in fields such as Agriculture, Water Affairs, Communication, Health, Welfare and others, embarking on community public private partnerships. As Public Works, we will continue to work with the communities in creating the infrastructure, for Public Works is ideally positioned to impact on a broad spectrum of infrastructural and capacity building needs of local communities. This because our products span a wide range of sectors, which then creates the opportunity for our sister departments, the provincial and local governments, to continue with feasible and sustainable sector specific development and operation.

Through the investment in business entities, rural people are afforded an opportunity to become proud owners of businesses, to benefit from the success of their enterprise in an orderly environment conducive to successful irrigation farming.

Ncora, for instance, has 5 such business entities:

- * A Security company, mainly comprising youth to secure the estate
- * A Dairy Production Co-op for dairy farmers
- * A Crop Production Co-op for interested farmers
- * A Women's' Consortium attending to poultry, a piggery and juice making, and
- * A Nursery Project comprising a small group of farmers.

The Restructuring Authority has acknowledged that turning these schemes around to become productive units owned by groups of people in the community could be an answer to address rural poverty in some areas.

The success of the CPCs depend on the accurate identification of lucrative local and international marketing opportunities and the planning of production in accordance with such opportunities.

The success of this programme also lies in the effective partnerships and the co-ordination of the respective policies and strategies by the relevant government departments, private and community role players.

The Trust is the custodian of the scheme on behalf of the community, responsible for the provision of services either directly or through privatisation thereof.

The Ncora/Qumanco Irrigation Trust provides the infrastructure to create sustainable employment and income generating opportunities for the farmers, especially the women. It will continue to be an important objective of ours to improve the lot of women and youth and enhance job creation. It is anticipated that the Trust will be able to raise sufficient operating income from its constituents, the farmers and the business units set up on the estate, so as to be able to maintain the property and promote further economic development of the estate and the surrounding communities.

The Department of Water Affairs and Forestry is dealing with bulk water supply to the scheme, for the irrigation and other uses.

The financial model is based on the assumption that the Trust will be able to secure funding over the first three years of up to R10 million. For the 2000/2001 financial year, Public Works has allocated R2,5 million. The funds will be used for the infrastructure restoration and repairs and to facilitate the development of the business units on the estate and provide at least R1 million for the purposes of the capital seed funding for the new businesses.

Repairs and upgrading of roads, some 25km of service and access roads and a 20 km link to the national

road, are necessities and need to be dealt with. This is an effort that will need a number of years, and it has to be dealt with in priority order.

A number of existing buildings need refurbishment and some have to be built to ensure productive use. Attention should be given, for example, to the dairy and grain handling facilities, storage tanks and canning factory.

An investigation needs to be done on the salvage and possible repair of vehicles, tractors, farming equipment and workshops, dairies and office furniture that have deteriorated through neglect and disuse.

For in-field irrigation R379 150 has been budgeted for in the financial year 2000/2001. Stores, fencing and a start-up seed fund have also been provided for.

I am pleased to have been informed that the Trust anticipates achieving self-sufficiency within four years if it is able to fund the aforementioned restoration and repairs and return the farming operations to profitability.

The investment in this project is in line with the government's policy to ensure the continued development of farming projects and economic development of rural areas. The project provides the means to create employment of at least 6 000 people and the support of an estimated 12 000 dependants in an economically deprived area of the country.

It is my sincere wish that this CPC project will continue to reap the intended benefits to the local economies and communities and make a positive impact in an effort to fight poverty, create employment and run rural business ventures in a sustainable way.

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