



CK2002/017153/23

### **South African Study Tour (21-24 April 2009)**

### **Overall Objective of the Study Tour Trip by the Delegation from the Ministry of Water Resources (“MOWR”) from Ethiopia**

#### **Background:**

This Project is part of the Ethiopian Nile Irrigation and Drainage Project (ENIDP).

The objective of the project is to increase agricultural output and productivity in various areas of the country in a sustainable manner.

Ethiopia has an active investment programme to expand irrigation activities within its country.

The operational guidelines subscribe to an overall policy of financial sustainability of irrigation infrastructure and more efficient management of systems through involvement of water user associations (WUA) and Public Private Partnerships (PPPs) in the financing and management of irrigated systems.

One element of the programme is to learn from what other countries have done, with a specific focus on how PPPs can be utilised as tools to achieve the ENIDP’s aims.

Therefore, one objective of the ENIDP is to organise tours for the State Minister and several officers of the MOWR to witness and examine PPPs in other countries for irrigation projects. South Africa has been identified as a destination country for one study tour.

#### **Purpose of the Study Tour:**

- To introduce the delegation to water management in South Africa
- Include site visits to suitable agricultural schemes with examples of the different partnership models taking place
- To place a focus on PPPs
- To provide lessons learnt that can be applied in Ethiopia
- Improved understanding of private sector involvement in irrigation and the roles of Water User Associations (“WUAs”) in irrigation management
- Enhanced support from the Governments of Ethiopia for efforts to promote WUAs and private sector involvement in irrigation through exposure to the benefits offered by such structures in South Africa

After an assessment of the various destinations within South Africa exhibiting all the requirements of the Study Tour, Inkomati Water Management Area was selected, due to it having so many clearly applicable sites which could further the aims of the study tour and also due to the time of the tour being limited to four days, necessitating maximum usage of time through the elimination of excessive travel. It was viewed as the most appropriate example of WUAs with different partnership models of suitable agricultural schemes. The Study Tour Facilitator was also able to network the necessary contacts required in the region to ensure maximum exposure of the delegation to the many sites available in the limited time of four days. The area was also chosen due its ability to showcase why a PPP can be an effective vehicle for financial sustainability of irrigation projects in the country in the agricultural and water sector similar to those foreseen in the ENIDP. The agricultural PPP models proposed below would included but not be limited to: a small scale outgrower scheme, a medium outgrower scheme and a service provider scheme.

A detailed schedule is set out below of the Programme indicating the schedule for each day together with the associated activities, site visits and planned outcomes. This schedule is subject to the approval of the NPC and final confirmation from some of the outstanding speakers. The table indicates which speakers have been confirmed and which are pending confirmation.

#	Name of Site/Location	Rationale for visiting this Site	What the delegation will be exposed to – Companies/Schemes being visited/ Brief description	How the visit will be relevant to the implementation of the I& D Project	Whether or not a Public Private Partnership (PPP) is involved	Names of Presenters: Designation and Topic
Day 1	<ul style="list-style-type: none"> <li>• Department of Water Affairs in South Africa (Pretoria)</li> </ul>	<ul style="list-style-type: none"> <li>• The first part of day 1 will be spent meeting delegates from the Ministry of Water Affairs in South Africa in Pretoria in order to allow the delegates to interact with their counterparts in the host country. Confirmation in the diary of the Minister of Water Affairs in South Africa – Lindiwe Hendriks – has not yet been secured but we are hopeful that through the Ethiopian Government’s letter of intention to visit SA and our own efforts, time can be made for this</li> </ul>	<ul style="list-style-type: none"> <li>• Ministry of Water Affairs and Forestry based in Pretoria</li> <li>• The PPP Unit based in Pretoria</li> <li>• Leading South African specialists in the Water sector to give a context of the current legislation and Water Management reform within the country</li> </ul>	<ul style="list-style-type: none"> <li>• It is critical that the lessons learnt in other countries can be appropriately applied in Ethiopia. Although each country possesses its</li> </ul>	<ul style="list-style-type: none"> <li>• An expert in PPP implementation in the country will be present to set the backdrop. The facilitator will be Delia Reardon who has</li> </ul>	<ul style="list-style-type: none"> <li>• Barbara Schreiner (former Deputy Director General of DWAF and personal advisor to Minister Asmal), now part of Pegasys, private water consulting firm.-</li> </ul>

		<p>important meeting.</p> <ul style="list-style-type: none"> <li>• The second part of day 1 will expose the delegates to the setting of the backdrop for the tour, through appropriate presentations by specialists in their fields, both the Water Sector and the PPP field.</li> <li>• It is important to contextualise the SA landscape – from an economic, political and social imperative – all are inextricably interlinked in the South African context. Once the delegates understand these concepts the agricultural initiatives that are taking place in the Inkomati Management Area, will make more sense.</li> <li>• Leading experts such as Barbara Schreiner, former deputy Director General of the Department of Water Affairs (DWA) and personal advisor to Minister Asmal, has been secured as a keynote speaker to provide an overview of water reform and water management in South Africa.</li> <li>• William Dachs is the Head of the PPP Unit in South Africa and has been invited to present to the delegation, providing the context of PPP Development within South South Africa and comment on his recent exchange through the World Bank to Asia, giving him a global perspective. He will also comment on the funding of PPP in the current global environment.</li> </ul>	<ul style="list-style-type: none"> <li>• We are still attempting to secure a further speaker Mr Gugu Mazibuko who can provide information on the social empowerment aspects of water reform (still pending).</li> </ul>	<p>own specific context and nuances, it is useful to apply successful actions that have taken place in another country to good effect in another country. Within the African continent, South Africa is well known for being at the forefront of PPP implementation and Mr Dachs can enlighten the audience on the enabling legislative environment and the critical role this played in successful PPP implementation in South Africa.</p>	<p>extensive experience within South Africa on PPPs and is part of the Study Tour Facilitator – she can assist in lively debate between the delegates and the speakers on topics of interest.</p>	<p>confirmed</p> <ul style="list-style-type: none"> <li>• William Dachs (Head of the PPP Unit in South Africa) recently returned from World Bank exchange to Asia - confirmed</li> <li>• Facilitator: Delia Reardon: Inkuma Project Finance Consulting/ previously technical partner to the SADC Banking Association – confirmed</li> <li>• Gugu Mazibuko (Pegasys) – expert on social empowerment aspects of water reform with specific application to his experience in the Inkomati Catchment area- pending still to be confirmed</li> <li>• Derek Weston (Pegasys) to present on institutional arrangements in the Inkomati Catchment area.</li> </ul>
Day 2	Sabi Kruger Lodge	<ul style="list-style-type: none"> <li>• Focus on the Inkomati catchment area and the establishment of the Inkomati Catchment Management Agency (ICMA). This focus will be a movement from the national level to a</li> </ul>	<ul style="list-style-type: none"> <li>• The ICMA will explain how a water management catchment agency operates but from diverse perspectives of</li> </ul>	<ul style="list-style-type: none"> <li>• If Ethiopia does utilise agencies and WUAs, it will be useful for</li> </ul>	<ul style="list-style-type: none"> <li>• The role of PPPs will be discussed by all speakers and</li> </ul>	<ul style="list-style-type: none"> <li>• Hennie Erasmus from the Land Bank (Marketing Manager) has</li> </ul>

		<p>regional or provincial level focus</p>	<p>different stakeholders with varied interests. Mr du Preez is prepared to speak on irrigation boards and the establishment of Water User Associations</p> <ul style="list-style-type: none"> <li>The funding perspective of the Land Bank will indicate the financial funding mechanisms available to farmers to support their initiatives</li> </ul>	<p>the delegates to hear first hand the lessons learnt and obstacles encountered by their South African counterparts</p> <ul style="list-style-type: none"> <li>The emphasis will be on localised management of water and the delegates will have to assess whether this is an appropriate form of management of water in Ethiopia.</li> <li>The setting up of the ICMA will be used as a form or model – Ethiopian delegates will provide insights into parallels for the ICMA and the formation of sub catchments possibly or WUAs in Ethiopia.</li> <li>The role of the Ministry of Agriculture in supporting initiatives and alignment of these with</li> </ul>	<p>they will be informed to highlight this aspect.</p>	<p>been confirmed and will present on the role of the Land Bank in agricultural projects</p> <ul style="list-style-type: none"> <li>Casper du Preez has been contacted and is willing, but subject to exact dates and availability, he is Irrigation Board Representative from the ICMA</li> <li>We are still locating a presenter to provide a perspective of the small scale farmers but it is imperative this aspect is also covered.</li> <li>Marcus Selepe from ICMA (Project Officer) will also provide insights into the ICMA an and his experiences</li> <li>Johannes Masuluke (MADC) will provide a summary of the MADC support initiatives to agricultural development in the Inkomati</li> </ul>
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				appropriate funding mechanisms eg through the Land Bank		catchment area. He will describe MADC's position as an agency within the Ministry of Agriculture whose mandate is to facilitate support for emerging farmer initiatives.
Day 3	Visit to the TSB Sugar Estates, Malelane, Host will be Martin Slabbert and Facilitator will be Delia Reardon	<ul style="list-style-type: none"> <li>This site will bring the tour to a local level – the visit to the TSB Outgrower Schemes will provide exposure to three kinds of models which are being used in the Inkomati area namely: 1) small scale outgrower scheme, 2) the medium scale outgrower scheme and 3) a service provider scheme (to be previously mentioned on Day 2 by Hennie Erasmus – briefing to speaker).</li> </ul>	<ul style="list-style-type: none"> <li>TSB's initiatives focuses on two aspects 1) transformation of the environment and 2) land restitution process – through empowering emerging farmers around a centralised structure.</li> <li>Focus of move away from ownership of land by farmers to new role of production facilitators and processors.</li> <li>Component of land restitution in key sugar growing areas.</li> </ul>	<ul style="list-style-type: none"> <li>The various models exhibited will be able to be assessed for applicability within the Ethiopian context.</li> </ul>	<ul style="list-style-type: none"> <li>A form of PPP arrangement in that the TSB Grower Scheme is an example of a partnership element where small scale producers who would otherwise be constrained due to having insufficient skilled resources and capital can draw on the central private company which means the farmers increase their productive basis to the benefit of the central company. TSB gets their supply of cane which they need for their mill while the producers have access to large scale</li> </ul>	<ul style="list-style-type: none"> <li>Martin Slabbert – General Manager of Grower Affairs has confirmed his availability but subject to fitting in on another engagement (note we will modify programme to fit around him) He is a keynote speaker and has made available his people to take the delegation on the tour to the sites to indicate the small scale grower farms- namely a small grower initiative near Tonga where the delegation will meet with a number of small scale growers.</li> <li>Octavius Madonko – from Grower Affairs will take us on the site visit to the</li> </ul>

					resources that they would not otherwise have.	Medium Scale Outgrower scheme – explanation of opportunities for small scale producers to expand their operation. <ul style="list-style-type: none"> <li>Mr Theetsang Seoke – Manager : IDP and Planning (Ehlanzeni District) – has confirmed that he is available to present on his experiences in the region with particular focus on the various models and their roles and functions</li> </ul>
Day 4	Sabie River Irrigation Schemes and Sabie Hoxane Scheme Tour Guide: Thomas Ngwenya – TRAC MP (Chris Williams is away on overseas trip) and Brian Morris (Expert in the area with specific skill in conservation and environmental issues) Overview of Sarengwa Estates and Lisbon Estates	<ul style="list-style-type: none"> <li>An overview will be presented of the water and land politics in the region and how these inform the opportunities in the region.</li> <li>Provides a strong contrast to Day 3 in that this area has smaller, more independent but less well supported and enabled production models.</li> <li>Holding Dam between two phases might provide a good example which could be applicable to Ethiopian context.</li> </ul>	<ul style="list-style-type: none"> <li>A different set of irrigation models and crop forms are presented by this site visit</li> <li>Communal land rights and land reform processes in the region will be discussed.</li> <li>Tenure systems will be considered as forms of ownership – lease system options</li> <li>Community private partnerships in the area will be discussed</li> <li>Examples of the constraining impacts of infrastructure (pumps) on a whole scheme can be shown under lessons learnt.</li> </ul>	<ul style="list-style-type: none"> <li>Due to varied nature of the models and disparity in wealth and access to resources, the mechanisms for ensuring opportunity creation could also be equally applicable to Ethiopian context which has a need to create empowerment of</li> </ul>	<ul style="list-style-type: none"> <li>Community private partnerships exist in this area and will be carefully explained as form of PPP.</li> <li>NGO sector can assist in ensuring equity in the differing parity of negotiation positions between the players and ensuring</li> </ul>	<ul style="list-style-type: none"> <li>Thomas Ngwenya (TRAC MP member) – to lead the facilitation of the site visit and present on the scheme. His topic will be : Land Reform and specifically challenges in Nkomazi with Tenure, Redistribution and Restitution.</li> <li>Mr Brian Morris (independent consultant with</li> </ul>

				impoverished sectors of the community.	beneficial role of community public-private partnerships	<p>agricultural expertise in the area and focus on conservation and environmental issues – both confirmed as facilitators and presenters)</p> <ul style="list-style-type: none"> <li>• Rose Jones – Sabie Hoxane – still pending confirmation of role as facilitator, document to be faxed as has no email- Extension officer – Agricultural Division</li> <li>• Francis Chigombo– pending – awaiting confirmation of availability as out the office for the week – Extension Officer in Agriculture</li> </ul>
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