

Making transferred land productive?

The potential and challenges of private sector partnerships for land reform

Supporting Community Private Partnerships



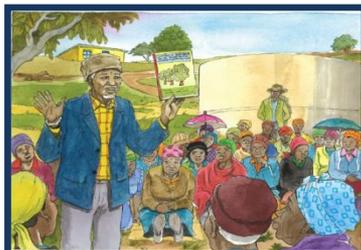
Vumelana finances advisory services



To structure commercially viable partnerships



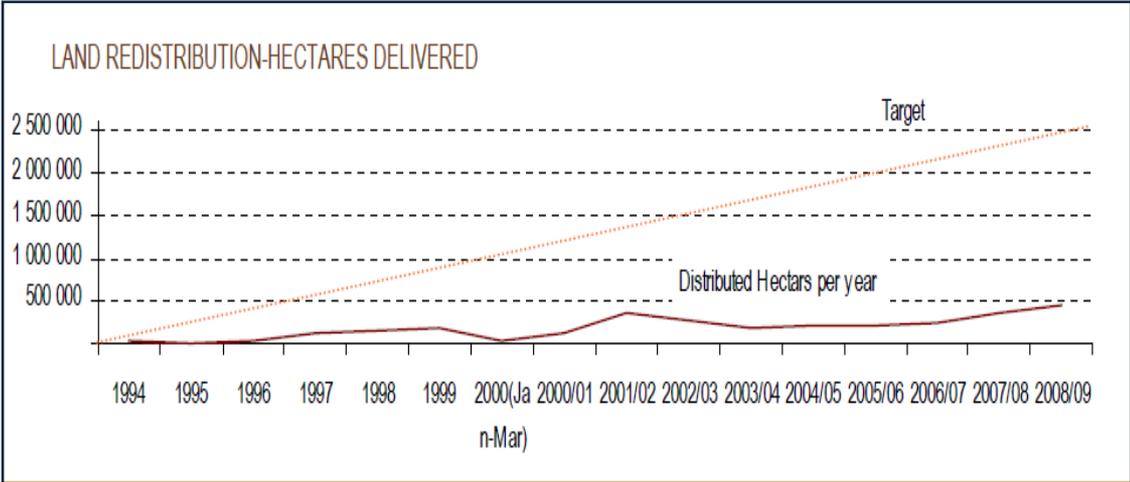
**Between community land owners and
investors**



In order to create jobs, income and skills

South Africa has a dilemma

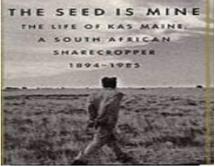
The transfer of land is proceeding too slowly. Actual transfer lags the targets by a significant margin.



Land transferred is unproductive. It was estimated in 2010 that 90% of the 5,9m Ha transferred was no longer economically active. 5,9mHa is 1.5 times the size of Switzerland.



Response



Through the processes of colonialism and apartheid communities lost - not only their land – but access to capital, skills, markets, networks, entrepreneurship...



The restoration of land without access to capital and skills leaves communities with what the Peruvian Economist Hernando de Soto would call “dead capital” (it is separated from the institutional architecture required to put it to productive use)

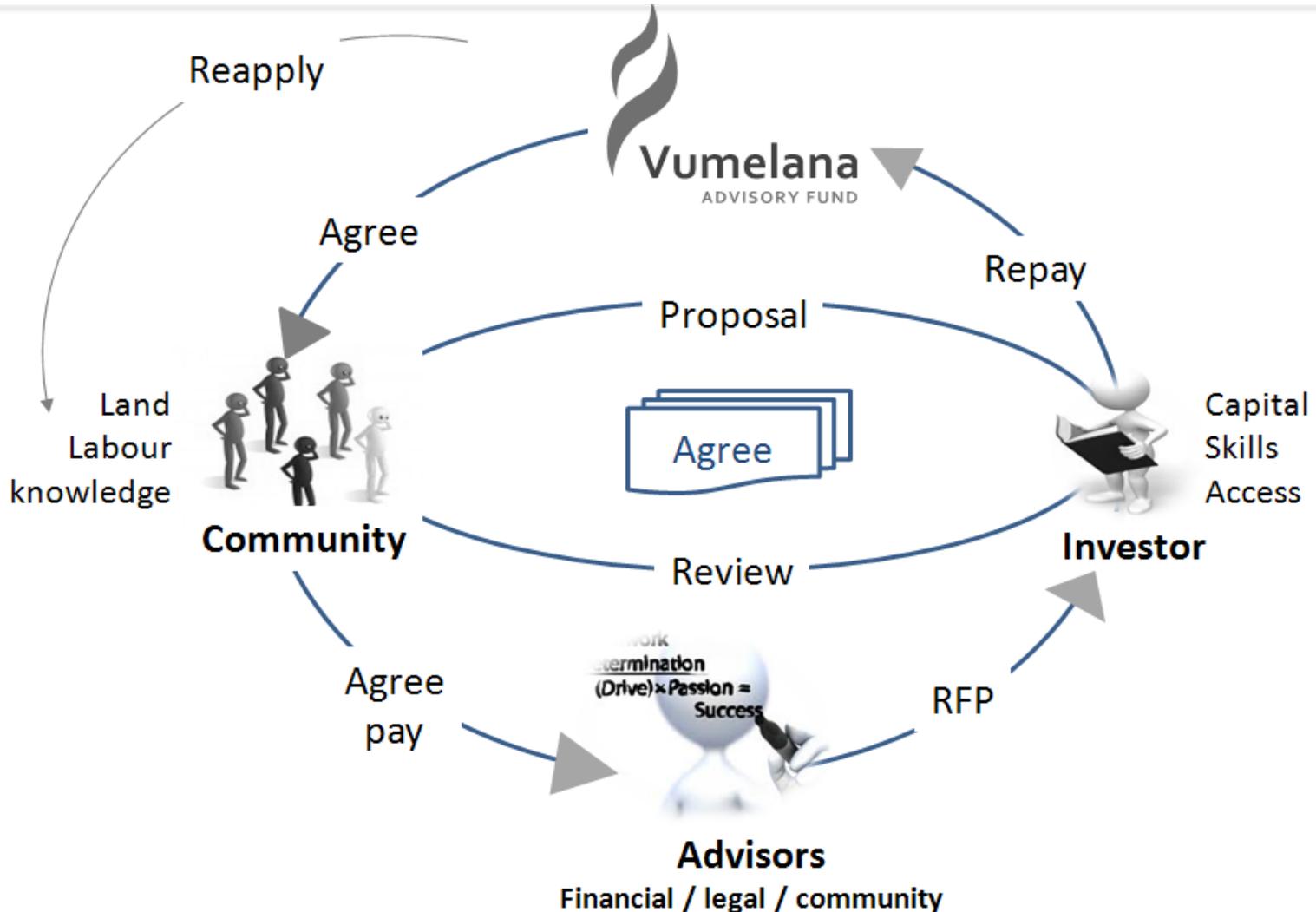


Forging partnerships with 3rd parties who have those resources is the most immediate way of addressing that challenge



These partnerships must respond to the asymmetry of power relations and the differing ability of the partners to carry risk and absorb cost

Vumelana helps to forge commercially sustainable and socially impactful partnerships



Current portfolio

		INVESTMENT	JOB	HOUSEHOLDS
AGRICULTURE		R185m	798	4255
TOURISM		R178m	325	3104
FORESTRY		R10m	21	334
ENERGY		R4000m	223	1750
		R4373m	1367	9443

Value proposition: Vumelana reduces the risks of post settlement project development



Communities

Vumelana provides advisory services and administrative support to communities to structure and maintain partnerships with investors at no risk to the community.



Investors

Vumelana provides advisory services to structure partnerships with land owning communities at no risk to the investor if there is no agreement. Payment for services is required only if an agreement is reached.



Advisors

Vumelana funds the advisory cost of structuring partnerships between land owning communities and investors. All work completed is paid for even if no agreement is reached.



Government

Vumelana mobilises private capital for the implementation of sustainable post settlement partnerships thus reducing the burden on the state to capitalise or recapitalise projects.



Funders

Vumelana offers a vehicle for supporting local economic development while addressing the land reform challenge.



Vumelana

ADVISORY FUND

For more information
please visit

www.vumelana.org.za

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