



BAMBANANI BUSINESS CASE

NOVEMBER 2021

TECHNICAL SUPPORT - The Government of South Africa through the Department of Forestry, Fisheries and Environment, in collaboration with the UNDP BIOFIN Project, provided technical support towards the development of an investment portal www.biovest-southafrica.co.za to showcase biodiversity stewardship investment opportunities for the sustainable conservation of the environment, and socio-economic development of communities.

GENERAL INFORMATION

IMPORTANT NOTICE	This document is not a prospectus, or an invitation to tender. It is a Business Case providing information to be used at the discretion of the Target Audience, as defined herein. It is NOT a feasibility, nor a bankability evaluation, although a sample business venture is reviewed for investment readiness.
PURPOSE OF THE BUSINESS CASE	The purpose of this Business Case is to provide investment information to domestic or international development partners and prospective investors in the private and public sectors, as well as the NGO and multilateral sectors, whether they are for-profit or non-profit development partners. It showcases available opportunities at Site level – with an investment readiness approach; and is a foundation for further development and investment assessment by investors.
TARGET AUDIENCE	The target audience includes: government agencies; grant funds, NGO impact investors, venture capital and private equity funds; development finance institutions; banks; pension and provident funds; crowd funding platforms; angel investors and such other funding sources.
ENVIRONMENTAL & SOCIAL DIVIDENDS	SUSTAINABILITY is the highest priority for all our stakeholders. Governed by the best practice principles of biodiversity stewardship and conservation, the Site Promoters are committed to ensure that all development initiatives proposed for the Site are evaluated for their environmental impact; and that they do not contribute to net biodiversity losses. Appropriate assessment and mitigation tools in strict compliance with environmental laws of South Africa, will be applied at all times. Social, Governance and Sustainability best practice principles will also be captured in the ESG reporting approach adopted herein.
STRUCTURE OF THIS DOCUMENT	This Business Case is structured in 3 modules containing information with different levels of detail and focus. Module 1 is available on the Investment Portal to all visitors, while Modules 2 and 3 (Detailed Site Information and Project information for a selected investment opportunity, respectively), are available only to prospective investors who complete registration. Thereafter investors may proceed to direct engagement with the Site, after execution of Non-Circumvention Non-Disclosure Agreements.

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MODULE 01



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#	MODULE	OBJECTIVE OF THE MODULE
1	SITE OVERVIEW & HIGHLIGHTS	High-level information about the history, key attributes, and current status of the Site.
2	DETAILED SITE INFORMATION	Detailed information about the Site, and the key investment considerations
3	SELECTED INVESTMENT OPPORTUNITY	Specific information on a selected project or venture requiring investment, highlighting the investment case for each priority.

SITE OVERVIEW & CORPORATE PROFILE

SITE NAME

BAMBANANI Community Farm (the “Site”).

LOCATION

Mpumalanga Province, South Africa.

LAND RIGHTS & OWNERSHIP

The land is owned by the Bambanani Communal Property Association (the CPA).

LAND SIZE

932 ha.

VISION

Sustainable socio-economic development of the Bambanani community of Mpumalanga, South Africa, through collective conservation of biodiversity and natural resources.

CURRENT OPERATIONS

The site is located approximately 30km from Wakkerstroom, a town renowned as the “birders paradise”. It is mostly grassland offering a good habitat for a wide range of bird species. The Bambanani Community ranch the Nguni cattle and have garden projects supported by the department of Agriculture. The Community has a eucalyptus plantation which is mostly used domestically and commercially for firewood . Due to its landscapes, the site has limited wildlife hence its main operations are agriculture. Bambanani is a designated Biodiversity Stewardship Site.

INVESTMENT OPPORTUNITIES

Among other opportunities, the Bambanani seeks to partner with investors and partners in the development of the site’s livestock and bioprospecting offering.

PRELIMINARY INVESTMENT OPPORTUNITIES

The investment opportunities explored in the Business Case are classified into:

- Ecological Infrastructure
- Livestock;
- Birdlife; and
- Capacity Building

Opportunities also exist for investment in their respective **value chains**. The Bambanani CPA recognises that sustainable biodiversity management must be supported by investment in **ecological infrastructure** & community education in biodiversity conservation.

- Cattle & sheep production
- Paddocks assessment
- Beef processing
- Cattle hides tannery
- Pastures fencing

Livestock

- Aviary
- Bird watching hides

Birdlife

Capacity building

- Conservation Courses skills
- Abattoir Management skills
- Vegetable & fresh-produce marketing skills

Ecological Infrastructure

- Veld-Fire control
- Grasslands restoration
- Wetland conservation

The Board intends to build adequate capacity to provide a broad range of services in livestock, bio-prospecting, meat processing and tannery facilities, and as part of the broad sales & marketing strategy, exploit supply chain opportunities with partners. Investors are invited to consider a range of opportunities that the Site Promoters are currently exploring

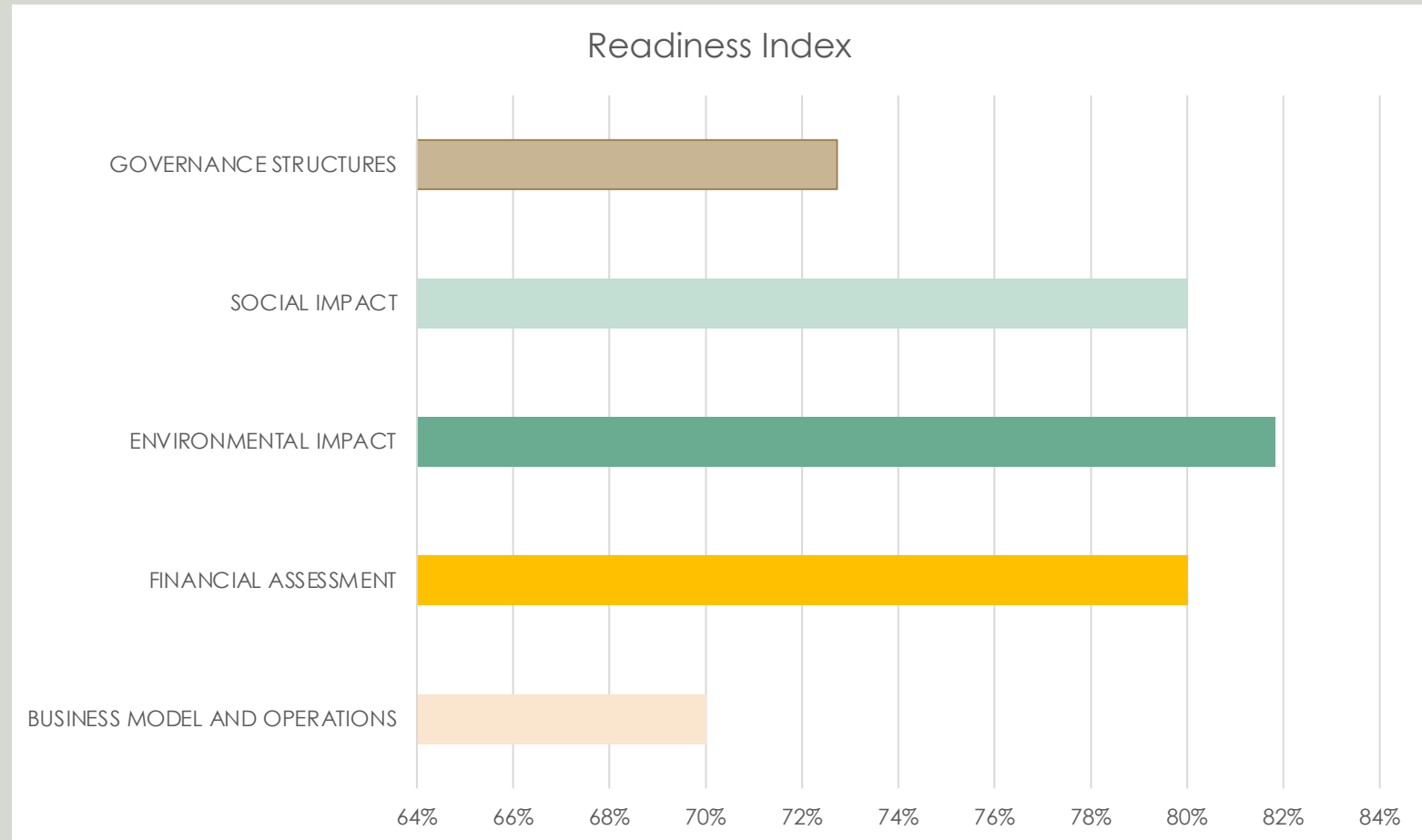
PRELIMINARY INVESTMENT OPPORTUNITIES – Quick Indicator.

The Site Promoters intend to build adequate capacity to provide a broad range of high-end and mid-stream services in livestock, bio-prospecting, meat processing and tannery facilities, and as part of the broad sales & marketing strategy, exploit their allied supply chain opportunities (both upstream and downstream) in partnership with local and international marketing networks and other partners. Investors are invited to consider a range of opportunities that the Site Promoters are currently exploring, including:

RANKED PRIORITIES	FUNDS NEEDED	TENOR	PURPOSE	REVENUE	PAY-BACK	ROI
1. Livestock (cattle & sheep);	R1,150,000	7 YEARS	CAPEX, OPEX	Sales	10 YEARS	12%
2. Abattoir & tannery	R2,300,000	15 YEARS	INFRASTRUCTURE	Sales	3 YEARS	18%
3. Aviary and bird-watching hides	R850,000	10 YEARS	INFRASTRUCTURE	Sales	3 YEARS	15%
4. Wetland conservation	R150,000	3 YEARS	CAPEX, OPEX	Sales	2 YEARS	12%
5. Grasslands restoration & fire control Teams	R380,000	7 YEARS	CAPEX, OPEX	Sales	5 YEARS	8%
6. Training, skills development, & capacity building	R40,000	N/A	N/A	N/A	N/A	N/A

INVESTMENT EVALUATION APPROACH

The sustainable development of Bambanani derives from the land, and the natural ecosystem. Investment opportunities in livestock, birdlife, ecological infrastructure, and capacity building have been prioritised. All future investment opportunities and business operations envisaged by the promoters can be structured as mutually exclusive, independent (or inter-dependent) business ventures that can be financed by multiple investors and partners separately or in syndicates. The business ventures can easily be scaled up through collaborative investment.



BAMBANANI BUSINESS BASE BOARD

A. LAND OWNERSHIP & GOVERNANCE

- ❖ **Goal** – Sustainable development through conservation of biodiversity.
- ❖ **Land Ownership** 932 hectares in Mpumalanga, RSA, owned by the BAMBANANI CPA.
- ❖ **Governance** The site is owned by the Bambanani CPA.
- ❖ **Partnership** with the WWF-SA, Birdlife SA, Wakkerstroom Municipality, and Mpumalanga Provincial Tourism.

B. INVESTMENT OPPORTUNITY ASSESSMENT

- ❖ **Existing Product:** Cattle, Firewood & Garden Produce.
- ❖ **Investment Opportunities:** 1. Livestock (cattle & sheep); 2. Abattoir & tannery; 3. Aviary and bird-watching hides; 4. Wetland conservation; 5. Grasslands restoration & fire control Teams; 6. Training, skills development, & capacity building.
- ❖ **Outcomes:** Investment in conservation; Jobs; skills and SMME & socio-economic development. Expansion of Biodiversity Areas and Net Biodiversity Gains.

C. FINANCIAL INDICATORS & RESOURCE NEEDS

- ❖ Capital invested (as at 30 June 2021) = R3,500,000
- ❖ Equity = \$2,000,000
- ❖ Total investment required = R6,9m (R2.3m for Abattoir)
- ❖ AVG ROI = 12% p/a
- ❖ Pay-Back-Period = 4.5 years.

E. BUSINESS STRATEGY CONSIDERATIONS

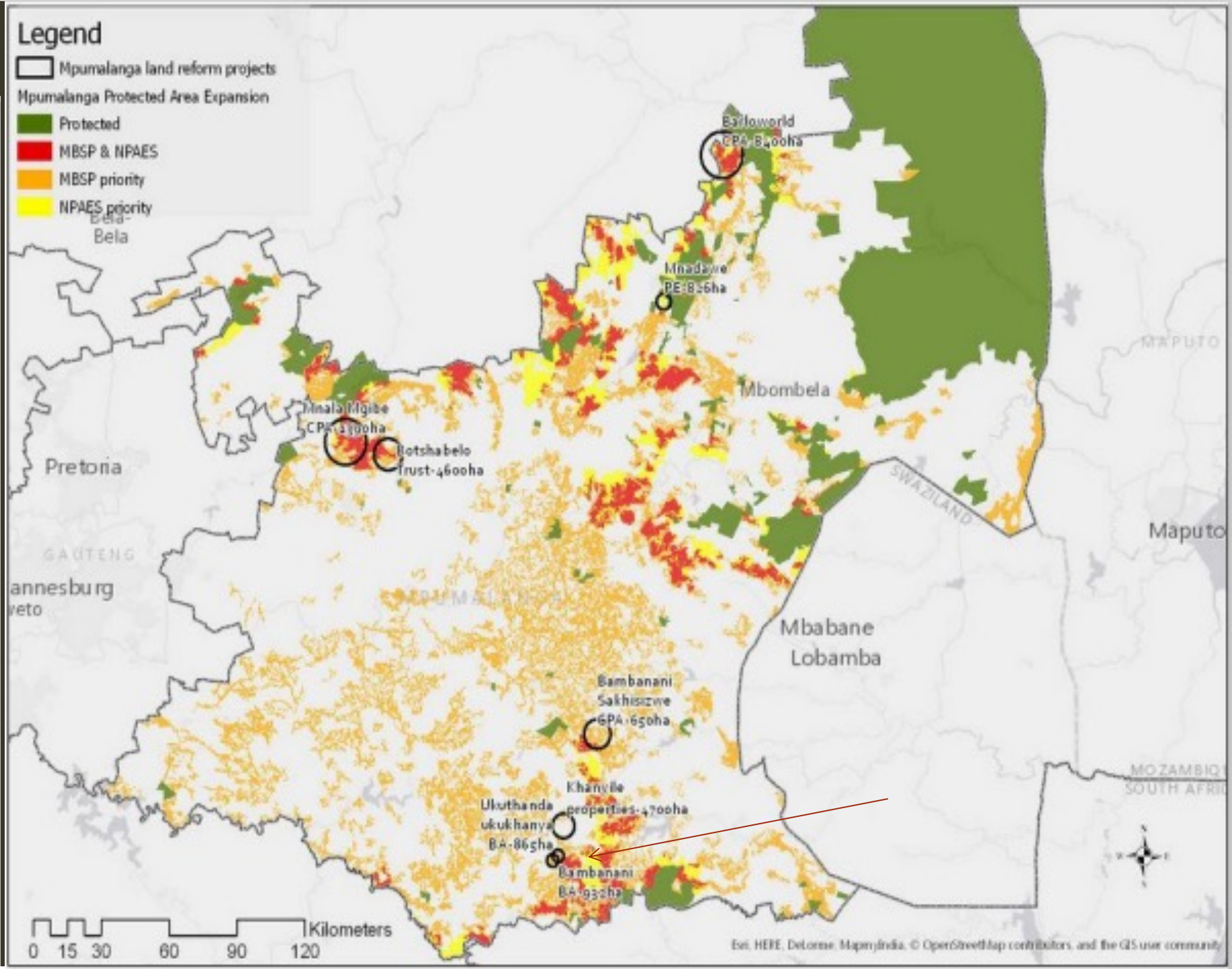
- ❖ **Macro Business Environment** South Africa offers a safe investment climate, with a sound legal framework.
- ❖ **Industry & Market Competitiveness** – Mpumalanga shares a border with Eswatini to the South-East, while Lebombo mountain forms a natural boundary with Mozambique to the East. Bambanani is approximately 30km from Wakkerstroom, the second oldest town in Mpumalanga with an active farming environment.
- ❖ **Key Investment Enablers** – Site is under the Biodiversity Stewardship Site; with vast grassland & livestock; Task Team in place trained to eradicate alien species in the area; Strong customer network in Wakkerstroom; Strong governance structures; and Community-owned land.
- ❖ **Value Proposition** – Offers a wide **range** of opportunities; **good returns** (ROI 12%- 16%); some investment **traction** already achieved with partners; **scalable** expansion of pro-biodiversity land uses within the 932 ha site. **Exit** mechanisms (convertible & redeemable instruments); and **impact** (socio-economic & biodiversity gains).

D. BUSINESS MODEL, OPERATIONS AND RISK

- ❖ **Customers** – community, nearest town (Wakkerstroom), local and national market channels through local markets, national retail network, Afgri and partners.
- ❖ **Systems & Management** – initiate documentation of SOPs. Human capital, skills training is ongoing in conservation, SMME devpt. tourism.
- ❖ **Risk review** - inadequate access to sustainable funding and infrastructure; Low profitability; threat to wetlands; inadequate board & management skills.

SITE LOCATION

The Community property is situated in the Wakkerstroom region of Southern Mpumalanga, 30 Km from the town of Wakkerstroom. It is approximately 332km from Mbombela (Kruger Mpumalanga International Airport). Latitude 27° 10' 07.5" S , Longitude 30° 03' 37.1"E.



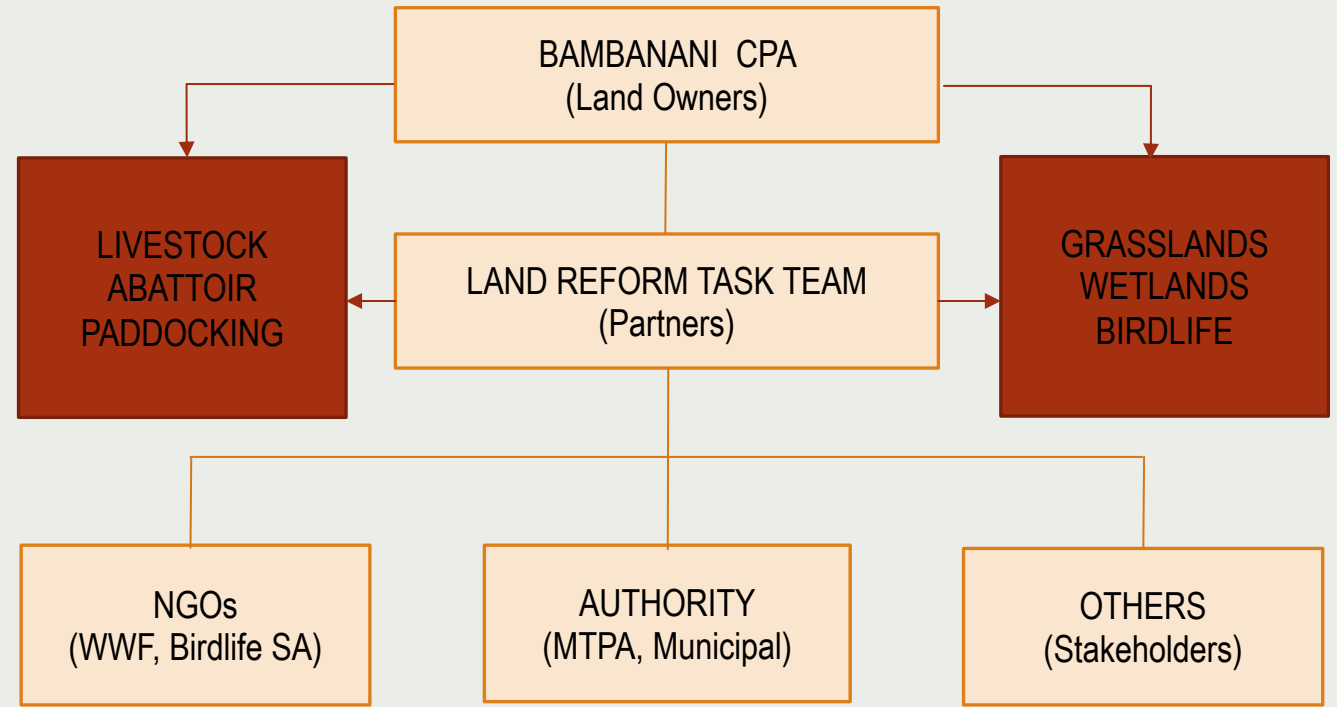
SIZE OF LAND, CURENT & FUTURE OPERATIONS

The land is owned by the BAMBANANI community representing 64 claimants and their families. The Site is on 932 hectares area, which increased from 850 hectares through the Biodiversity Stewardship Program. The area is widely grassland and carries livestock and a eucalyptus plantation. It is also a wetland which provides a good habitat for different species, and attracts a wide range of rare birds. The Bambanani CPA has been trained by the WWF-SA in Alien Plant Clearing and Fire Management. The following are the general land use and planned developments.

FARM NAME	SIZE	KEY OPERATIONS	PLANNED FUTURE OPERATIONS
Livestock	932 Ha	Cattle Farming	Abattoir and Tannery
Birdlife	-	Bird watching	Aviary and bird watching hides
Capacity building	-	Training & capacitation in key skills	Advanced skills training in core areas
Managing Grasslands & Wetlands (including fire control)	-	Grasslands & Wetlands conservation	Further investment in ecological infrastructure

GOVERNANCE FRAMEWORK

The Bambanani CPA signed a Biodiversity Stewardship Agreement with various stakeholders. A Land Reform Task Team consisting of WWF, MTPA, Birdlife SA, municipality and other role players and stakeholders in the area is in place to support the land-owners; but the CPA through its board, is responsible for the management of their land. The authorities are responsible for the biodiversity conservation in the province and negotiate agreements, provide support and conduct annual audits.



LEGAL FRAMEWORK

The Bambanani Community partnered with WWF-SA and Signed Biodiversity Agreements in 2013 which was then launched in 2014. They established a Task Team comprising of various role players including WWF-SA, Birdlife SA, Mpumalanga Tourism Agency and the local municipality to developed a Management Plan.

GOVERNANCE ENTITY / ACTOR	ROLE OF EACH ACTOR	SOURCE OF LEGAL MANDATE
COMMUNAL PROPERTY ASSOCIATION	LAND OWNER	CPA ACT
MPUMALANGA PROV. TOURISM AGENCY	AUTHORITY (& PARTNER)	BIODIVERSITY ACT
TASK TEAM	CONSERVATION NGO (& PARTNER)	BIODIVERSITY ACT
WWF	BUSINESS MANAGEMENT	CONTRACT LAW
BIRDLIFE	CONSERVATION NGO (& PARTNER)	BIODIVERSITY ACT
LOCAL MUNICIPALITY	AUTHORITY (& PARTNER)	BIODIVERSITY ACT

KEY ENABLERS

CURRENT STATUS AT BAMBANANI

1. Legal protection and title

Signed Biodiversity Agreement Site.

2. Community

Community-owned land, with 9 CPA board members representing the community.

3. Governance

Strong corporate governance structures. Board in place.

4. Land scale

Vast grassland, about 932 hectares, protected for biodiversity conservation.

5. Biodiversity

Generally considered a critical biodiversity conservation area. Wetland. Vast grassland. The area offers a climate of warm temperate summers to cold and freezing winters with unique bird and plant life.

6. Attractions

Bird watching. Hiking. Cycling (limited eco-tourism)

7. Investor Support

WWF; Birdlife

8. Infrastructure

Fencing around cattle ranch and paddocks

9. Market

Strong customer network. Including the nearest town, Wakkerstroom, about 30km away.

KEY ENABLERS

CURRENT STATUS AT BAMBANANI

11. Shareholding Structures	Business structures supported by sound legal framework and stakeholder' agreements
12. Investment Opportunities	Attractive opportunities offering value-uplift, competitive returns and sustainability
13. Funding & Resources	To draft budgets, project estimates, and financial forecasts.
14. Site Management Plan	To draft Site Management Plan
15. Bankable Business Plans	To draft Business Plans
16. Existing Investments or partnerships	Evidence of traction in securing management partners and investors.
17. Technical & Extension Support	Evidence of traction in securing technical extension services and intermediary support.
18. Human Capital, Technical Capacity	Managers in place and staff training underway.
19. Internal Systems, SOPs, ICT.	To draft SOPs
20. Customer base & competitiveness	Customer base reached through a marketing distribution network

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MODULE 02



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SITE HISTORY - THE STORY OF BAMBANANI



The Bambanani Community is situated approximately 30 km from Wakkerstroom town in Mpumalanga, the second oldest town in the Province. The region boasts of a wide variety of rare bird species and is well known as the “bird paradise”. The area was first inhabited by the SAN people around 1500 and experienced the first white settlements in 1853 with the town being established in 1859. Part of the history of the town may be seen in its Historical cemetery which today covers graves from the first settlers and founders of the town to modern day residents as well as the graves of British soldiers killed in action in the area during the First and Second Boer Wars. The area offers a climate of warm temperate summers to freezing winters.

Visitors to Bambanani can enjoy birding, for which the region is world famous, and the site is home to many common species in as much as it is a refuge and sanctuary for some vulnerable and endangered species such as Rudd’s and Botha’s Larks, White Winged Flufftail , Blue and Wattled Cranes and the Bald Ibis.

SOUTH AFRICA – General Investment Climate



South Africa has the most advanced, broad-based economy on the African continent, supported by fairly strong institutions, an independent judiciary and robust legal sector committed to upholding the rule of law, a free press and investigative reporting, a mature financial services sector, good infrastructure, and a broad selection of local and regional skilled professionals.

Economic and socio-demographic context - South Africa has a population of 55 million people, 51% of whom are female. Approximately 40 million people (72%) are adults of 18 years old and above. Gauteng and KwaZulu-Natal are the largest provinces, accounting for 23.7% and 19.8% of the total population, respectively. The Northern Cape is the least populated province, with just under 1.2 million people (STATSSA, 2015a). Comprehensive transformation and reform policies have been introduced to create opportunities for historically disadvantaged South Africans, including land restitution and community transformation programs designed to promote community development, create jobs, skills training, and procurement opportunities for SMMEs, in order to achieve proportional racial, gender, and disability representation in workplaces.

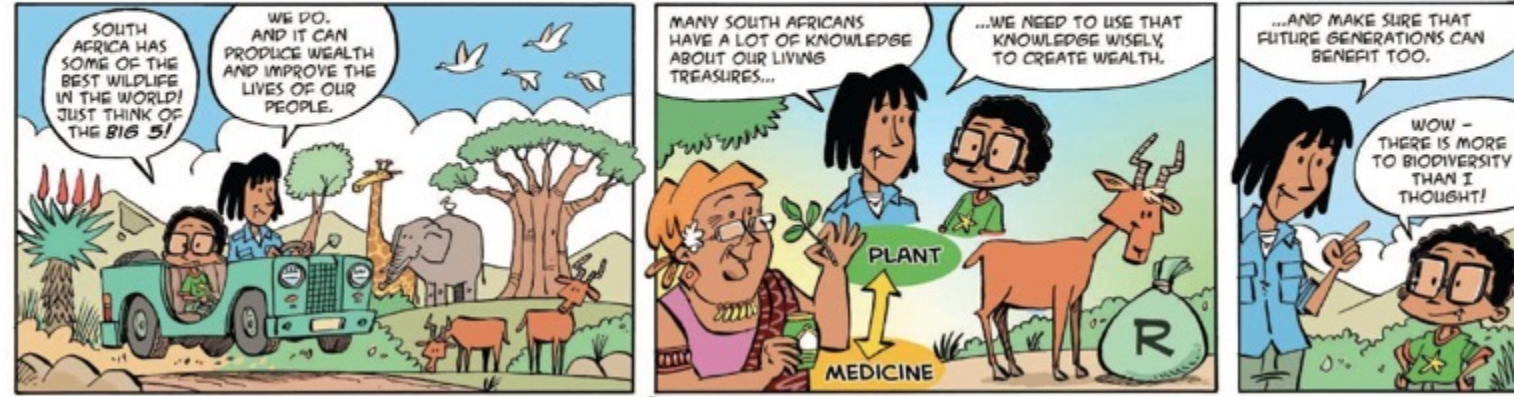
The COVID-19 pandemic has affected macro-economic performance, with 8 percent of industry permanently closing business while over 36 percent scaled down operations significantly. South Africa's GDP is expected to shrink by -3 percent to -7 percent for the year 2021, continuing a recession that set in mid-year 2019, leading to downgrade of South Africa's sovereign debt to sub-investment grade. Despite structural challenges, South Africa remains a destination conducive to global investment. The dynamic business community is highly market-oriented and the driver of economic growth. South Africa offers ample opportunities and continues to attract investors seeking a comparatively low-risk location in Africa from which to access the continent that has the fastest growing consumer market in the world.

South Africa has great potential to develop a vibrant Biodiversity Economy, driven by its vast land mass, miles of coastline with two oceans, and a large population of flora and fauna. It has 30% share of all tourism revenue in Africa, and the largest inland transfrontier nature reserve.

<https://twitter.com/environmentza/status/970572156269748224/photo/1>

THE BIODIVERSITY ECONOMY

BUILDING BUSINESS FROM BIODIVERSITY



South Africa is one of the most biological diverse countries in the world in terms of species richness and endemism. Conservation and Sustainable utilisation of South Africa's biological diversity is a national strategic priority. Biodiversity drives socio-economic growth and development. The biodiversity economy of South Africa, encompasses the businesses and economic activities that either directly depend on biodiversity for their core business, or that contribute to conservation of biodiversity through their activities. The potential size of the South African bioprospecting industry (alone), based on resource permit application data, is at least US\$150 million per year. The current industry is approximately 20% of this potential, creating the case for investment and innovative collaboration to elevate the profile of this sector. The same statistic also demonstrates the sheer potential of the broader biodiversity economy, with eco-tourism and wildlife generating 42% and 35% of revenue, while 23% derives from bioprospecting and ecological infrastructure.

INDUSTRY & MARKET REVIEW - The Biodiversity Sector of South Africa

Investment in **ecological infrastructure** is the foundation for sustainable conservation and enhancement of resilience through veld-fire and flood management, control of alien invasive species, anti-poaching, environmental monitoring and data analytics. A new **bio-prospecting industry** in South Africa, with actors focusing on systematic modification of traditional uses of commonly available natural resources such as Essential Oils; Medicinal Products & Bath Salts, for commercial or industrial value.

Value Chain Linkages - Bambanani will seek to exploit the full value chain from resource to distribution through active collaboration with other actors in the industry.

Partnerships with marketing, distribution and export agents, for instance, will form a critical part of Bambanani's value-uplift strategy.



INDUSTRY & MARKET REVIEW - The Biodiversity Economy of South Africa



Livestock farming is South Africa's largest agricultural sector, accounting for over 40% of agricultural output's total value and occupying roughly 80% of available agricultural land. There is critical need for the integration of biodiversity conservation with livestock farming by communities.

In the Wildlife sector, game ranching, hunting, taxidermy, and venison production and distribution are the key drivers of South Africa's wildlife economy.

Eco-tourism is the most mature pillar of the sector, driving at least 42% of total revenue in the industry.

Currently, the most widely used resources in the local bioprospecting industry resource use in products was: Aloe ferox (bitter Aloe); Bee products; Aspalathus linearis (rooibos); and Pelargonium sidoides.

EXISTING OPERATIONS

The Bambanani Community is mainly suitable for livestock farming and birding. The core service offering is meat production for processing, packaging and retail to local towns, and the national retail chain. Commercial meat, garden produce and firewood sales from the plantation are the current sources of revenue.

LIVESTOCK

- a. The site is a wetland and is predominantly open grassland
- b. The main economic activity is livestock farming (mainly Nguni cattle and goats).
- c. The Site is fenced, although fencing requires an upgrade to create paddocks.
- d. There is a cattle plunge dip and a sorting facility which also requires an upgrade

EUCALYPTUS

- a. There is a eucalyptus plantation on site. The CPA uses the trees for firewood and commercial use.
- b. Bambanani has a community fire control team that has been trained in fire management, although it is still a challenge because of lack of resources. Fire control equipment and a tractor would be a useful investment.

Gardening

- a. The CPA has a community garden which is supported by the Agriculture department.
- b. The produce from the garden is used for the community and commercial use.

LIVESTOCK SCHEDULE

The Bambanani CPA holds livestock – Nguni cattle, with the ‘stock additions’ figure indicating stock to be acquired towards the target herd of cattle, sheep, and goats. The land will hold a total combined stock of no more than 900 herd, with all offspring processed through the Bambanani rural throughput abattoir and sold off to the meat markets.

	CURRENT STOCK	STOCK ADDITIONS	TARGET STOCK	NOTES
1. Cattle	104	196	300	Breeding herd with offspring sold for meat. Intensive farming methods with feed supplemented from the cropping activities (under an out-grower scheme with a neighbouring site – Ukuthanda, which specialises in stockfeed input farming).
2. Sheep	32	268	300	Breeding herd with offspring sold for meat.
3. Goats	60	240	300	Breeding herd with offspring sold for meat.

BAMBANANI

UNIQUE VALUE PROPOSITION

PROBLEM STATEMENT

Part of Bambanani lies in a delicate wetland, while the rest consists of open grasslands and eucalyptus forest. The community owns the land but has little capacity to create value out of it and contribute towards sustainable socio-economic development. The conservation of biodiversity requires the concerted efforts of all stakeholders including the local community, Government agencies, partners, and investors, to combat biodiversity loss arising from uncontrolled veld fires, invasive alien species, and bad farming practices, by investing in sustainable natural environments.

SOLUTION

Investors and partners are invited to consider joint ventures with the CPA to inject capital and technical resources in order to enhance the capacity of the CPA to deliver on its conservation and socio-economic development goals.

VALUE PROPOSITION

Through the efforts of key stakeholders working together, considerable traction has been achieved at the Site. A successful Biodiversity Agreement process has resulted in the Bambanani community legally owning and conserving 932 hectares of land under the Bambanani Communal Property Association. It boasts of vast grasslands and wetlands that make it a good habitat for unique birds. The community is keen on livestock farming and is committed to the conservation of biodiversity. The Site has therefore partnered with The Mpumalanga Tourism Agency, Municipality, Birdlife SA and WWF – SA to conserve the area while investments in ecological infrastructure remain high priority.

UNIQUE VALUE PROPOSITION

Bambanani CPA's unique value proposition and key sources of sustainable competitive advantage derive from the following attributes:

1. The sheer vastness of rich and secure land endowed with natural grasslands and wetlands;
2. The land is community-owned, with no land-related legal disputes, and is governed under clear corporate governance and legal structures;
3. The site enjoys "Biodiversity Stewardship" status; and therefore enjoys access to multiple sources of technical support and resources that have enabled the Site to develop to its current state;
5. The WWF-SA partner is a strong investor with demonstrated capacity to inject capital as well as train the staff to acquire special skills in conserving the land and work with the community in various initiatives



MARKET & COMPETITION

The Site needs to strengthen sales and marketing capacity in order to take advantage of business development opportunities in the face of dwindling tourist activity due to the Covid19 pandemic, limited wildlife and increasing competition.

COMPETITION

Mpumalanga is generally an agricultural region with farms all over the province. These farms enjoy economies of scale and have easy access to road network. However, Bambanani practices ecologically friendly ways of farming and produces only organic meat and vegetables. The global market is rapidly turning to more healthy lifestyles, which is a source of competitive advantage for the Bambanani community.

MARKET

The community is located 30km from Wakkerstroom, a town well known as the “birders paradise”. Because of its attractions, local and international tourists frequent the town. The community takes advantage of this traffic to supply meat and vegetables to local restaurants, lodges and restaurants. The community has been heavily reliant on local customers. Alternative markets and customer segments are under consideration.

PRODUCTION

Investment is required to construct an abattoir and tannery for the commercial meat business. Investment is also required to increase security and preserve the Site as it currently stands and any further upgrades and improvements to infrastructure.

MARKETING & CUSTOMER ENGAGEMENT

The Site largely gets referrals from past guests which indicates good customer experiences.

DIGITAL MARKETING

The Site currently does not have a website. The Site will create a website which enables digital visibility while allowing them to build on the powerful stories from the Bambanani community. Through Search Engine Optimization (SEO) the website may rank high in Google searches when potential customers and investors are looking for information and service that the Site provides in their region possibly increasing conversion of leads into actual sales. The website can enable potential customers and investors to make inquiries and/ or make an order.

SOCIAL MEDIA

The Site has no social media presence. An e-commerce site could also be linked directly to their social media pages to enable more efficient bookings for potential clients, active on social media platforms.

LOCAL SALES

The Site has significant targeted marketing activities that are focused on local collaborations with stockfeed producers like Ukuthanda, local fresh-produce markets, and retail outlets. Overall marketing efforts can be supported by a sales, marketing and public relations strategy.

PRELIMINARY INVESTMENT OPPORTUNITIES

Opportunities for investment include the following site development initiatives to be undertaken in partnership with the local community, the CPA, and existing investors:

1. Livestock	Stocking (by way of purchase and breeding) to expand the capacity for sustainable economic activity, including commercial meat trading. The Site can diversify by introducing small livestock. This will increase their market base and maximise function of the proposed abattoir (which caters for big and small stock)
2. Supporting Infrastructure	Infrastructure to support site development objectives, including fencing for paddocks, electrification (or other alternatives), construction of abattoir and tannery, access-road upgrades and water reticulation.
3. Abattoir and Tannery	Abattoir with capacity to slaughter and preserve a maximum of 15 cattle and 50 small stock (sheep; goats; pigs) daily. The abattoir will include a slaughter floor, lairage, chiller, tripe room, meat cutting, processing and packaging facilities.
4. Training, skills development, and capacity building.	Training, skills development, and capacity building to expand the skills of staff, management and community members involved in all facets of the business. Strengthening of institutional capacity requires investment in systems, appropriate technology, certification, and standard operating procedures.

CROSS-CUTTING INVESTMENT NEEDS – INFRASTRUCTURE REQUIREMENTS

Targeted investment is needed to support cross-cutting Site needs (whose cost cannot easily be attributed to one specific business venture), particularly infrastructure development which are trans-generational, and yet consumed by short term ventures. Cross-cutting needs at Bambanani CPA (the cost of which will be amortised by allocation to revenue generating business ventures), include the following:

- ❖ Upgrading and tarring of 30 km of road from the nearest town of Wakkerstroom to enable better access by customers and investors to the Site and leveraging Department of Public Works (roads etc.) services where possible or collaborating with neighboring communities
- ❖ Upgrading and management of the livestock pastures will contribute significantly to the sustainability and health of eco-systems and maximise production of the livestock;
- ❖ Further upgrades to the plantation including fencing and veld fire control;
- ❖ Development and marketing of bio-industrial facilities to retailers and wholesaler locally and internationally as the market shifts to more traditional and organic products;
- ❖ Solar infrastructure to minimize dependencies on Eskom and make the Site more environmentally friendly overall;
- ❖ Security measures to protect livestock and other assets;
- ❖ Community working vehicles e.g. delivery/ refrigerator vans; as well as Boreholes and water pipes.

FUNDING REQUIRED TO SUPPORT IDENTIFIED OPPORTUNITIES

APPLICATION	DESCRIPTION	FUNDING TYPE	IMMEDIATE NEED	%	MEDIUM TERM	%	TOTAL
INFRASTRUCTURE			1,000,000	<i>17.20%</i>	4,800,000	<i>82.80%</i>	5,800,000
Livestock - breeding	Various large	Donations / Grants	100,000		150,000		250,000
Livestock - purchases	Various medium	Equity / Mezzanine	300,000		600,000		900,000
Site fence, water, roads, etc	Electrified, borehole,	Equity / Mezzanine	600,000		900,000		1,500,000
Abattoir	With butchery & office	Equity / Mezzanine	-		2,300,000		2,300,000
Aviary and bird-watching hides	Per concept note	Equity / Mezzanine			850,000		850,000
CAPITAL EXPENDITURE			750,000	<i>66.66%</i>	375,000	<i>33.34%</i>	1,125,000
Delivery Vehicles	2 x refrigerator van	Debt / Mezzanine	670,000		335,000		1,005,000
Fixtures and fittings	All sites	Debt / Mezzanine	80,000		40000		80,000
WORKING CAPITAL			40,000	<i>100%</i>	0	<i>0.00%</i>	40,000
Training & Development	Revolving facility	Debt	40,000		0		40,000
TOTAL			1,790,000	34.50%	5,175,000	65.50%	6,965,000

INVESTMENT READINESS CRITERIA

APPLICATION	TENOR	PURPOSE	PAY-BACK	REVENUE STREAM	ROI
INFRASTRUCTURE					
Livestock - breeding	7 YEARS	CAPEX, OPEX,	3 YEARS	Commercial meat trade	18%
Livestock - purchases	7 YEARS	CAPEX, OPEX,	3 YEARS	Commercial meat trade	18%
Site fence, water, roads, etc	5 YEARS	INFRASTRUCTURE	10 YEARS	Commercial meat & aromatherapy trade	12%
Abattoir	15 YEARS	CAPEX, OPEX	5 YEARS	Commercial meat & aromatherapy trade	8%
Aviary and bird-watching hides	10YEARS	CAPEX, OPEX	2 YEARS	Commercial meat & aromatherapy trade	12%
CAPITAL EXPENDITURE					
Delivery Vehicles	3 YEARS	OPEX	2 YEARS	Commercial meat & aromatherapy trade	7%
Fixtures and fittings	3 YEARS	OPEX	3 YEARS	Commercial meat & aromatherapy trade	X%
WORKING CAPITAL	7 YEARS	CAPEX, OPEX	5 YEARS	Commercial meat & aromatherapy trade	12%
Training & Development	5 YEARS	CAPEX, OPEX	3 YEARS	Commercial meat & aromatherapy trade	15%
TOTAL					

OUTLOOK – Communal DEVELOPMENT AND TRANSFORMATION

There is still a need to improve the value of the direct benefits accruing to the community, in light of the high poverty and unemployment rates in the Bambanani community. Effective community development and (cascaded) socio-economic transformation has been identified as a key strategic priority, over and above the collective dividend accruing through the CPA.

JOB CREATION

The proposed Site infrastructure upgrade opportunities set out herein, could create further permanent and temporary employment opportunities for the Bambanani community. Scope for Job-creation and skills development exists in key areas of expected growth, including: site management and administration personnel; abattoir workers, fire control and forestry management teams, security personnel and general staff.

SMME DEVELOPMENT

The Site infrastructure upgrades may also create opportunities for small businesses owned by community members, again creating income generation opportunities at individual household levels. The Site can leverage business development support available, which includes skills development, for the benefit of the small businesses from the Bambanani community.

BENEFIT TRANSMISSION MECHANISM

In order to create a comprehensive mechanism for the effective transmission of value from all business ventures to individuals and households, Bambanani CPA continues to seek suitable partnerships between its members or the CPA and investors with capacity to contribute to sustainable transformation.

CONCLUSION – INTERMEDIARIES & EXTENSION SERVICES

A number of intermediary service providers have worked with the Bambanani CPA previously to provide specific services e.g. WWF-SA has trained the task team of the Bambanani CPA in fire control management and other service providers to support operations.

PUBLIC SECTOR TECHNICAL SUPPORT

Greater collaboration between Government departments responsible for land, rural settlement, public works, as well as local authorities, should be promoted by all stakeholders in order to reduce bureaucracy and improve access to development support.

LEGAL, FINANCIAL & BUSINESS SUPPORT

Partnership with intermediaries and technical services experts from different backgrounds such as capacity development, legal, financial, marketing, public relations and tourism sector specialists, will help to promote Community development initiatives and SMME Business incubation sustainably.

ENVIRONMENTAL & CONSERVATION SUPPORT

Partnership with conservation professionals and technical services experts from the environment and agriculture departments, will also be essential to sustainable business incubation and social transformation.

CONCLUSION - STATE OF INVESTMENT READINESS

Investment into the Bambanani biodiversity economy will yield critical medium-term outcomes and long-term impact: Public conservation awareness; Investment in conservation; Community development; Job Creation; SMME development; Value-chain; Contribution to GDP; Expansion of Protected Areas; Net Biodiversity Gains. It is our opinion that, with appropriate support from relevant authorities, investors, partners and intermediaries, the Site is ready to engage effectively with investors, and various opportunities can be packaged into bankable business units.

INVESTMENT READINESS CRITERIA

PROJECT NAME	BAMBANANI
PROVINCE	Mpumalanga
LAND SIZE	993 hectares
AGREEMENT TYPE	Biodiversity Stewardship Site
MANAGEMENT AUTHORITY	Bambanani Community Property Association
CONTACT PERSON	NONKAZIMLO MAFA
WEBSITE	TBA

SITE SCORE	Score	Total Possible	Readiness Index
BUSINESS MODEL AND OPERATIONS	5	10	50%
FINANCIAL ASSESSMENT	8	10	80%
ENVIRONMENTAL IMPACT	8	11	73%
SOCIAL IMPACT	7	10	70%
GOVERNANCE STRUCTURES	7	11	64%
TOTAL	35	52	67%

INVESTMENT READINESS INDEX (GENERAL SITE-LEVEL)

BUSINESS MODEL & OPERATIONS		
		(IN RESPECT OF THE SITE)
Bankable Feasibility	B1	Has a bankable feasibility study been conducted for the Site? Yes=1 No=0
Bankable Business plan	B2	Is there a bankable business plan in place for the Site? Yes=1 No=0
Strategic Plan	B3	Is there a comprehensive strategic plan in place, with logical implementation framework for the Site? Yes=1 No=0
Resource Needs Assessment	B4	Has a comprehensive RNA been undertaken to estimate the financial, technical, infrastructural resources required? Yes=1 No=0
Products and Services	B5	Is there a defined range of nature-based products and services Yes=1 No=0
Customer Base	B6	Is there a defined customer base or niche that represents effective demand for current products and services, and sustainable future sales? Yes=1 No=0
Marketing Strategy	B7	Is there a marketing and communications plan in place? Yes=1 No=0
Internal Capacities & SOPs	B8	Is the internal control environment strong, and based on documented standard operating procedures? Yes=1 No=0
Management Team	B9	Is there a competent management team promoting the Site plans? Yes=1 No=0
Training and Development	B10	Are all staff and management undergoing regular training in line with a skills development plan? Yes=1 No=0

INVESTMENT READINESS INDEX (GENERAL SITE-LEVEL)

FINANCIAL ASSESSMENT

(IN RESPECT OF THE SITE)

Capital Adequacy	F1	Is the total capital investment required (in terms of the RNA) adequate to achieve the goals stated in the plans? Yes=1 No=0
Investment Traction	F2	How much of the total capital investment has already been mobilised and injected to date (whether from investors or the promoters)? If >10%=1 <10%=0
Promoters' Commitment	F3	How much of the capital injected to date is from the Promoters (whether land value, funding or other assets) i.e if >25%=1 <25%=0
Financial projections	F4	Does the Site have a financial model incorporating Statements of Income; Casflows; & Financial Position? Yes=1 No=0
Positive Cash Flows	F5	Are the historical cash flows positive in at least one reporting year within the last 3 years? Yes=1 No=0
Positive Pre-tax Profitability	F6	Have the operations posted a profit in at least one reporting year within the last 3 years? Yes=1 No=0
Liquidity	F7	Are short term assets sufficient to cover short term liabilities as they fall due? Yes=1 No=0
Solvency	F8	Are the total assets greater than the total liabilities? Yes=1 No=0
Return on investment	F9	What is the projected 5-year average Return on Investment ("ROI")? If ROI>8%=1 if ROI<8%=0
Payback period	F10	What is the average PBP for the total Site? <5 years=1 and if PBP>5 years=0
TOTAL		

INVESTMENT READINESS INDEX (GENERAL SITE-LEVEL)

ENVIRONMENTAL IMPACT		(IN RESPECT OF THE SITE)
Permits	E1	Are all key environmental authorizations / permits required already in place? Yes=1 No=0
Conservation of Biodiversity	E2	Would investment in the Site contribute towards biodiversity conservation? Yes=1 No=0
Critical Biodiversity Area	E3	Does the site fall under a CBA, or does it meet the minimum requirements for classification as a Protected Area or Biodiversity Stewardship Site Yes=1 No=0
Site Management Plan	E4	Is there a comprehensive site management plan in place for the Site? Yes=1 No=0
Community conservation awareness & advocacy	E5	Are there programs for the training and development of community members to equip them with critical environmental conservation skills? Yes=1 No=0
Zonation	E6	Are proposed operations compliant with zonation stipulations? Yes=1 No=0
Environmental Impact Assessment	E7	Is there a recent EIA report (less than 5 years old) in place for the Site? Yes=1 No=0
Compliance with Environmental Laws	E8	Is the site compliant with environmental laws, conservation and biodiversity management regulations? Yes=1 No=0
Ecological footprint	E9	Are all development plans subjected to ecological footprint estimations (and reduction measures), using conservation tools such as Environmental Impact Mitigation Hierarchy? Yes=1 No=0
Pollution	E10	Is a pollution policy for the protection of air quality and prevention of ecological degradation in place and fully implemented Yes=1 No=0
Climate Change	E11	Has a climate change response, adaptation and mitigation policy been developed and communicated effectively. Yes=1 No=0

INVESTMENT READINESS INDEX (GENERAL SITE-LEVEL)

SOCIAL IMPACT		(IN RESPECT OF THE SITE)
Health & Safety	S1	Does the Site have a health certificate? Yes=1 No=0
Customer policies	S2	Does the Site have an approved client service charter or stakeholder management policy? Yes=1 No=0
Community impact & Transformation	S3	Are mechanisms in place for the transmission of value, wealth, profit or socio-economic benefit from site operations to individuals and households? Yes=1 No=0
Labour standards	S4	Do the proposed human resources policies align with approved standards? Yes=1 No=0
Sustainable SMME development	S5	Does the Site promote SMME development and value chain collaboration? Yes=1 No=0
Gender Mainstreaming & Diversity	S6	Does a policy exist to promote gender mainstreaming and diversity, and is compliance monitored by the board and management of the Site? Yes=1 No=0
Job creation	S7	How many employment opportunities, paying basic minimum wages or better, are to be created by the Site? >10=1 <11=0
Empowerment of special interest groups	S8	Does policy promote the empowerment of women, youth, the disabled, through incorporation into the board, management and operations of the Site; as well as supply contracts or partnerships? Yes=1 No=0
Employment of special interest groups	S9	How many of the employment opportunities created to date have benefitted women, youths, or people living with disabilities? >30%=1 <30%=0

INVESTMENT READINESS INDEX (GENERAL SITE-LEVEL)

GOVERNANCE STRUCTURES		(IN RESPECT OF THE SITE)
Land Ownership	G1	Is the land ownership secure and protected by title deeds (whether held by a community vehicle or privately)? Yes=1 No=0
Protected Area	G2	Is the Site a designated Biodiversity Stewardship Site with Protected Area status? Yes=1 No=0
Shareholder Rights	G3	Do shareholders' agreements, or partnership agreements enable the community to exercise voting rights effectively? >30%=1 <30%=0
Legal Rights	G4	Do existing contracts and agreements allow the participation, and/or protect the interests, of new investors and lenders Yes=1 No=0
Board Effectiveness	G5	Do board minutes, resolutions demonstrate existence of effective board and sub-committee or thematic structures Yes=1 No=0
Board Induction & evaluation	G6	Are board members qualified to serve on the board; properly subjected to induction; continual professional development; and regular self-evaluation Yes=1 No=0
Risk management	G7	Is a risk management policy in place, with evidence of strict adherence thereto? Yes=1 No=0
Compliance	G8	Is the Site compliant with statutes and regulations? Evedenced by valid clearances or cetification (including: SARS, UIF, POPIA, COIDA) Yes=1 No=0
Transparency	G9	Do transparency policies exist, including Anti-corruption, Anti-Money Laundering policy, and are procedures followed? Yes=1 No=0
Stakeholder engagement & Shareholder reports	G10	Does the board engage actively with community and other stakeholders, including regular reporting to shareholders (whether private, public, community, CPA) at least once a year? Yes=1 No=0
External Audit & Reporting	G11	Does the board receive regular financial reports from management, supported by audited annual reports? Yes=1 No=0

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MODULE 03



3

#	MODULE	OBJECTIVE OF THE MODULE
1	SITE OVERVIEW & HIGHLIGHTS	High-level information about the history, key attributes, and current status of the Site.
2	DETAILED SITE INFORMATION	Detailed information about the Site, and the key investment considerations
3	SELECTED INVESTMENT OPPORTUNITY	Specific information on a selected project or venture requiring investment, highlighting the investment case for each priority.

SELECTED INVESTMENT PRIORITIES – OVERVIEW

Although a number of projects have been listed for future development, the following 2 business ventures with Project Codes BAM-01 to BAM-02, have been identified to be of the highest strategic priority as they have the catalytic effect of creating a development base upon which future business ventures and related opportunities might be developed. They have also been selected on the basis of superior ESG impact projections.

Below are two of the investment opportunities identified by the site Promoters as their highest priorities, and for which investment support is required by way of financial resources, infrastructure, physical stock, appropriate technology, and /or technical services. Interested investors can obtain details of these opportunities upon engagement with the Site Promoters.

SECTOR	PROJECT NAME	PROJECT CODE
LIVESTOCK	INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS)	BAM-01
INFRASTRUCTURE	ABATTOIR & TANNERY	BAM-02

BUSINESS VENTURE BAM-01,02

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

The investment opportunity with code BAM-01 & 02 is evaluated below based on five **Project Assessment Categories**

CATEGORY	
A.	LAND OWNERSHIP & GOVERNANCE (Promoters, title, community, leadership);
B.	INVESTMENT OPPORTUNITY ASSESSMENT (Current offering; investment opportunities; outcomes & impact);
C.	FINANCIAL INDICATORS & RESOURCE NEEDS (Revenue, costs, cash flow, capital expenditure, infrastructure, ratios);
D.	BUSINESS MODEL, OPERATIONS AND RISK (Operational business model; systems, compliance, risk, mitigation).
E.	BUSINESS STRATEGY CONSIDERATIONS (Macro & industry-specific factors, Unique Selling Proposition, ESG impact);

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

DESCRIPTION OF PROPOSED BUSINESS VENTURE - The proposed plan is to establish an abattoir and tannery within the site for value addition. The abattoir will be located in close proximity to the livestock paddocks. The construction of an abattoir with office facilities will create jobs for the community. The proposed abattoir is made in the basic design for slaughter of all species, viz. cattle, sheep, goats and pigs though because of space limitations, concurrent slaughter of different species is not possible. The abattoir capacity will be dependent on the mix of animals being slaughtered.

Daily throughputs of approximately 15 large stock (eg cattle) or 50 small stock (sheep, goats or pigs) or a combination thereof represent a practical maximum for this design. The facilities will be divided into a sections to cater for different productions. The Bambanani community will breed and conserve Nguni cattle from the existing stock and purchase when required, breed and conserve sheep to diversify and maximise profits, facilitate the establishment of effective community management structures and develop livestock production, marketing skills and opportunities for the Nguni cattle and sheep on their site

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

The proposed abattoir and tannery will serve as an integrating hub around which a variety of complementary community business ventures will be established including: leather crafts, bio-prospecting, trade of cultural wares; as well as traditional entertainment and arts. These ventures will enable community households and youths to generate income and develop stronger stewardship of the natural environment.

These should be provided in accordance with local practice based on locally available materials. The abattoir will be in close proximity to the tannery, where hides will be processed into leather, and further processed into bags, shoes, wallets, accessories and other handicrafts. Consumers and customers can easily access and conveniently purchase the livestock meat and leather crafts, amongst other market.

The meat will be sold from a butchery whereas the leather products other market products will be sold off the market stalls, or distributed to the nearest towns, through the national retail network or channeled to export markets through a network of partners and intermediaries. Bambanani will engage the World Fair Trade Organisation and other trade promotion partners for support in developing export markets.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

The proposed plan has been based on “Guidelines on Small Slaughterhouses and Meat Hygiene for Developing Countries” WHO publication VPH 83.56, with modifications to take account of the likely mix of stock in South Africa.

The abattoir will include production and services as follows:

a. Production

Production will included

- Slaughter floor – the slaughter floor will take into consideration the procedures of slaughter for each species (cattle, sheep, pigs, goats)
- Lairage – the lairage will be the size of the expected daily kill
- Chiller - The chiller will have a holding capacity of approximately 300kg and a chilling capacity of 150kg/day.
- Meat cutting and processing – the carcass will be cut and hung in the chiller until delivery

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

b. Service Modules

After slaughtering, contents of the slaughtered livestock will have to be disposed and of particular, cattle ruminal contents which come in considerable quantity, will have to be disposed in a biodiversity and environment friendly way. A compost stack provides a simple and low cost method of disposal as well as providing a useful end product. Dung from the pens, effluent screenings and other wastes may be conveniently disposed of in this way. The addition of waste vegetable material from the community garden will increase the yield of compost and ensure aeration of the stack. The compost will in turn be used to manure the community garden which will consequently provide more organic products.

The service required by the abattoir are as follows;

- Water supply
- Effluent disposal
- Solid waste and blood disposal
- Hide and skin processing
- Electric light and power (other biodiverse energy sources to consider are biogas & solar)

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

The following items are necessary to the functioning of the abattoir;

- a. Amenities and Office – for administrative purposes, an office should be established on site with trained personnel to run the day to day operations of the abattoir
- b. Fencing – the abattoir should be properly fenced for security purposes
- c. Road network – the site should be easily accessible and close to a road to allow ready transport of both livestock and processed meat
- d. Stormwater drainage – proper drainage systems to be put in place to avoid accumulation of storm water. Alternatively the water may be collected and be used for other purposes on site.
- e. Planting to effluent trenches - Planting of banana palms or paw paw should be made along the trenches to utilize the moisture and nutrients contained in the effluent

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

Due to the risks that are associated with animal slaughtering, abattoirs are regulated. There are rules and regulations that the abattoir must adhere to, to ensure that people and the environment are protected. Compliance to the regulations and laws of the slaughtering industry is the key to the success of the abattoir business. The abattoir should be compliant with the following Acts:

- Animal Health Act, 2002 (Act No. 07 of 2002)
- Health Act, 1977 (Act No. 63 of 1977)
- Animal Protection, 1962 (Act No. 71 of 1962)
- Fertilizers, farm feeds, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947)
- Occupational Health and Safety Act , 1983 (Act No. 3 of 1983)
- Atmosphere Pollution Prevention Act, 1965 (Act No.45 of 1965)
- Agricultural Products Standards Act, 1990 (Act No. 119 of 1990)
- Stock Theft Act, 1959 (Act No. 57 of 1959)
- Meat and Safety Act, 2000 (Act No. 40 of 2000)
- National Environmental Management Act, 1998 (Act No. 107 of 1998)
- General Hygiene Requirements for Food Premises and the Transport of Food
- R918 of 1999; and National Water Act 1998 (Act No. 36 of 1998)

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

Other compliance issues for abattoir include:

- All the buildings should be approved by the municipality
- The plans and layout must be approved by the Department of Agriculture
- Necessary stamps and roller mark to be obtained to identify species
- Registration with the Department of Agriculture for unique identity number
- An environmental impact assessment authorization is a requirement as well as a waste license..

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

A	LAND, OWNERSHIP, GOVERNANCE (Promoters, title, community, transformation);	LAND	BOARD	MANAGEMENT
	The land is owned 100% by the Bambanani CPA, who will be entitled to proportionate board nomination rights. The value of the shareholding will be a function of the negotiated value of the land versus the funding required to establish the abattoir.	100% CPA-owned	Proportionate representation	Board appointed
	Shareholding & Funding Requirements	CONSTRUCTION	CAPEX	OPEX
	The Abattoir requires a capital injection of R3,190,000. The business venture will be owned and operated by the Bambanani CPA and its investing partners (whether new or existing investors), through a joint venture, or such other scheme as may be agreed. The amount of shareholding in the business will be a function of the equity financing injected by the investor in relation to the total value of the land and business. Other sources of funding such as debt, will be serviced by the business.	R2,300,000	R850,000	R40,000
	Community, Transformation, and Capacity Needs	HUMAN CAPITAL	TECHNOLOGY	SYSTEMS
	The community will drive this business venture, as they are the custodians of the conserved land, livestock, wetland and plantations. Investment is required in training for critical skills, vehicles, media equipment and internal systems and procedures.	Abattoir personnel; Bio-industry personnel; Livestock & forestry personnel	Delivery vehicles Media equipemt.	SOPs Health & safety Admin

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

B. INVESTMENT OPPORTUNITY ASSESSMENT (current offering; investment opportunities; outcomes & impact);

Demonstrable Traction – The Site has a solid track record evidenced by their operational livestock ranching and eucalyptus plantations (the details of which are set out elsewhere in this document), and a productive partnership between the CPA, Mpumalanga Tourism Agency, municipality, Birdlife SA and WWF-SA. Some investment has been made towards the development of physical and ecological infrastructure as well as site management and operations including livestock farming, plantation, community garden, veld fire control and eco-tourism operations of the site.

Demand assessment and market outlook – If the Site is to slaughter stock for customers and average rate of R210 per cattle and R37 per goat or sheep will be charged. The site can attain revenue of up to R26/kg for cattle and R35/kg for sheep if they slaughter and distribute their own livestock. The abattoir can slaughter a maximum of 5 big stocks and 50 small livestock per day. Operations are expected to be 55% of its full capacity. Greater investment in marketing is expected to improve average operations.

Supply chain management – The supply chain is simple, the Site will breed and ranch their own cattle and sheep as well as farm their vegetables and maintain their own plantation.. Skills training and the sales / marketing strategy are the key priorities. The financing plan deliberately sets aside funding for training.

Human Capital - Committed and competent management and organization. Management structures, qualifications and skill sets. Investment in training & development. Experience (key skills and expertise in place number of years of business operation).

Scalability – The abattoir and tannery are a scalable business model, as the facilities can be expanded over time in response to demand.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

B. INVESTMENT OPPORTUNITY ASSESSMENT (current offering; investment opportunities; outcomes & impact);

UNIQUE VALUE PROPOSITION - The main attraction of the general conservation area is its landscape, while the other tourism facets such as biodiversity, birdlife and scenic beauty, enhance the site. The biodiversity economy in the greater Mpumalanga Land Reform Biodiversity Stewardship Program is expected to create employment for many communities through ecologically sustainable commercial operations within the conservation area. Some of the unique attributes and attractions include:

Natural uniqueness – the Bambanani and Wakkerstrom regions are set within vast landscapes, with the Balele mountains to the south, the area surrounding the region is mountainous with kloofs, mountain springs, vlei areas, dams, conservation and heritage sites.

Diversity of Tourist attractions – Wildlife is very limited in the region. However visitors can enjoy a variety of activities on an individual or group basis. Birding, for which Bambanani and Wakkerstrom are famous for, offers all interested Birders the opportunity to search for some of the vast number of common species in the area to the vulnerable and endangered species such as Rudd's and Botha's Larks, White Winged Flufftail , Blue and Wattled Cranes and the Bald Ibis.

Established livestock infrastructure – The Bambanani CPA is among the sites in the conservation area with an established offering of livestock and plantations catering for the domestic market.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

B. INVESTMENT OPPORTUNITY ASSESSMENT (current offering; investment opportunities; outcomes & impact);

INDUSTRY ANALYSIS

Physical location in Southern Africa – The Bambanani CPA is located in the Mpumalanga province of South Africa

- It is situated in the Wakkerstroom region in close proximity to Wakkerstroom town about 30km from the town and 332km from the Mbombela city
- With the Balele mountains to the south, the area surrounding the town is mountainous with kloofs, mountain springs, vlei areas, dams, conservation and heritage sites casting unique views.

Wildlife and tourist corridor – Its wetlands are known as a superb site for birds. Visitors can spot southern bald ibis, blue korhaan, yellow-breasted pipit, Rudd's lark, Botha's lark. Other wildlife is very limited in the area as it is generally grassland.

Bambanani region as a “birders paradise” Site - Substantial marketing and advertising has been invested over the years to place Wakkerstroom on the tourism map and the Bambanani CPA will leverage this goodwill to drive the proposed commercial meat trade.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

B INVESTMENT OPPORTUNITY ASSESSMENT (current offering; investment opportunities; outcomes & impact);

The Bambanani CPA believes that one of the immediate benefits of effective biodiversity conservation should be the creation of opportunities for the people in the communities both in employment and in business. The Community will be the first beneficiary stakeholders to benefit from the program. The total number of employees at the proposed abattoir, tannery, plantation and community garden is approximately 48 and the community caters for approximately 102 people

Product	Employees	Infrastructure	Avg. Stock Rate (R)	Daily Revenue @60% (R)
Abattoir: Scenario 1	20	Abattoir	Slaughter Fee – Cattle 210	630
			Slaughter Fee – Sheep 37	1,110
Scenario 2			Ownership Cattle 26/kg	19,500
			Ownership Sheep 35/kg	44,100
Tannery	8	Tannery	-	
Fire control and Eucalyptus plantation	10	1	-	
Vegetable garden	10	1		
	48	4	-	

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

C BUSINESS STRATEGY CONSIDERATIONS (value proposition, investment rationale, USP, ESG impact);

Employment Creation Bambanani Abattoir – The Site’s abattoir will create an estimated 20 jobs. It is expected that the abattoir will operate at 60% capacity.

Business ventures – The tannery and local market centre will serve as an integrating hub around which a variety of complementary community business enterprises will be established, including tannery handicraft sales, aromatherapy products sale and vegetable produce sale.

Processing – The local market centre will also create a vibrant market and atmosphere for bio-trade and the sale of essential oils, bath salts & medicinal products and vegetables to the domestic and international market. In order to drive the other business ventures, the bio-industrial facility is modelled as a traditional marketplace and trading centre, inspired by the historical trade corridors that one might imagine the Bambanani community, Wakkerstroom and Mpumalanga people.

Procurement contracts will be offered to community driven SMMEs for construction, and construction supplies (bricks, sand and labour), incidental labour, market gardening, curios and transport. Over a 10-year horizon, a vibrant sub-economy driven by activities in the biodiversity economy will emerge.

Dividends to the CPA – The community will also benefit from the share of dividends (approximately 52% of divisible profits, declared annually), through the CPA. In line with corporate governance best practice, the CPA board is developing an effective and transparent mechanism to ensure that direct disbursements to member households, as well as community development programmes, are funded out of accumulated dividends.

Biodiversity Impact – The Bambanani will measure and report key changes in biodiversity conservation in order to track a set of pre-agreed impact indicators expected from the successful establishment of the intensive livestock farming, abattoir and tannery.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

D	FINANCIAL REVIEW	FUNDS NEEDED	TENOR	PURPOSE
	Construction of an abattoir	2,300,000	7 YEARS	CAPEX
	Bio-industrial facilities, training, marketing;	890,000	3 YEARS	OPEX
	Total Funding Required	3,190,000	-	-

The Abattoir, intensive livestock farming, and tannery, require a capital outlay of R3,190,000 to meet the construction, installation, training and marketing costs of the proposed Abattoir and Bio-industrial Facility.

Product Line	Jobs	Facility	Units	Avg. Rate / Price (Rand)	Daily Revenue @60% (Rand)	Annual Revenue
SCENARIO 1: Construction of an abattoir						
Slaughter Fee: Cattle	20	1	5	210	630	229,950
: Sheep			50	37	1,110	405,150
SCENARIO 2: Construction of an abattoir						
Ownership: Cattle	20	1	5	26/kg	19,500	7,117,500
: Sheep			50	35/kg	17,850	6,515,250
Installation of a tannery and local market for essential oils; medicinal products, bath salts; vegetable produce)	8	1		350	2,100	766,500
Trade of Essential oils and medicine						
Total: Scenario 1	28					1,401,600
Total: Scenario 2	28	-	-	-	-	14.535.520

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

D FINANCIAL REVIEW

Bambanani-Specific Revenue Assumptions – the following are the key financial assumptions:

- Daily throughputs of approximately 5 large stock (eg cattle) or 50 small stock (sheep, goats or pigs) or a combination thereof represent a practical maximum for this design.
- Daily operations of 60% of the maximum capacity
- A minimum site area of 1800 square metres will be required to accommodate all modules. The abattoir proposed is based on a rectangular site 30 metres by 60 metres, approximately 0.18 hectares.
- The average carcass cow weighs 250kg and carcass sheep is 42kg
- The average slaughter fee for big stocks (cattle) is R210/ head and smaller stocks (sheep, goats, pigs) is R37/ head
- The average carcass ownership per kg is R35 for small stock and R26 for big stocks

Financial Performance – the financial forecasts demonstrate sustainable and scalable sources of revenue with strong margins and interest cover ratio.	Average Return on Equity is 9% per annum	Expected Payback Period is 5 years
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Cash flow – the business model is based on a pre-payment structure where most clients arriving on a package have already paid in advance, or they pay on arrival. This makes for strong and positive cash flows, in general.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

D BUSINESS OPERATIONS & RISK

Description of the Proposed Abattoir and intensive livestock farming and tannery at Bambanani - The proposed plan is to establish an intensive livestock farm operation, abattoir and a tannery within the site to take advantage of the already existing cattle ranching operation at Bambanani. The proposed abattoir will be 60metres by 30 metres, which is significantly small fraction of the total site. At full operation, the abattoir can cater for 5 large stock (cattle) and 50 small stock (sheep, goats and pigs). To maximise of profits, the abattoir will operate using both scenarios where there will slaughter stock for other stakeholders and a fee and also slaughter their own livestock.

A bio-industrial site will be establish so that the community can market and sale their produce (meat; essential oils, medicinal products and bath salts). The target market being the local community, the customer base in Wakkerstroom, the nation and also for export. These ventures will enable community households and youths to generate income and develop stronger stewardship of the natural environment.

Investment Requirements - The abattoir and tannery requires a capital injection of R3,190,000 to meet the construction, installation, training and marketing costs of the proposed abattoir and tannery.

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

D BUSINESS OPERATIONS & RISK

THE PRODUCT

Construction of the abattoir and tannery – in line with the agriculture department protocols and best practice, the Bambanani CPA will consult widely with responsible authorities, and other key stakeholders to procure appropriate regulatory approvals before work on the proposed abattoir development commences. The construction of the abattoir will include: brick and mortar structures. Other developments will include the tannery and boreholes. A scoping report of the proposed abattoir will provide details of the specific location, ESG impact, (including light, sound, visual, and environmental pollution). Other factors will include: Noise; Visual intrusion of development; Management of ecological integrity and biodiversity; Waste and water management; Socio-economic development; and Cultural resource management.

Key Attributes of Bambanani - In order for conservation areas to be viable and sustainable, financial sustainability is essential. The Bambanani CPA seeks to establish a sustainable site business model where bio-prospecting among other revenue generating activities in the biodiversity economy will fund site operations. To achieve this goal, capital is required to finance foundational investment in physical and ecological infrastructure.

Access & Biodiverse Infrastructure	Activities	Present day
Airport approximately 332 km away	Bird watching	Bird watching
Tarred road to Wakkerstroom town using R38 & N11 highway	Hiking	
Abattoir & tannery	sales	

INTENSIVE LIVESTOCK FARMING (CATTLE, SHEEP, GOATS), ABATTOIR & TANNERY

D BUSINESS OPERATIONS & RISK

THE PRODUCT

Marketing – In order to grow and sustain market share, the Bambanani CPA will undertake coordinated local and international marketing, through various media including electronic, print, digital and social media. Target customers include: locals and neighbouring communities, tourists (bird watchers) in the Wakkerstroom region, domestic and international retailers, domestic and international wholesalers.

RISK ASSESSMENT

MITIGATION

The level of skill required at all levels in order to secure clients, serve them well and operate the site are not easily available within a particular community.

Aggressive training and capacity development will over time yield an adequately skilled pool of human resources within the community. In the meantime, a blended staff with employees from elsewhere will be engaged to deliver a quality product.

The competition for the abattoir and bio-industry facility products is stiff because of Mpumalanga is generally a grassland area and many farmers have livestock and other agricultural produce. The risk of losing clients to the bigger, more acclaimed farmers is high.

Management will have to develop a strong marketing strategy that seek to complement rather than compete with other sites. The marketing strategy seeks to create partnerships and build packages linking customers at other farms, with Bambanani.

Failure to mobilise adequate resources would delay implementation

The Promoters will take advantage of the Investment Portal to showcase the reserve in order to secure investors and other partners.

GLOSSARY OF TERMS

#	Terms	Description
	Biodiversity assets	Biodiversity assets are ecosystems, species and other biodiversity-related resources (such as genetic material) that generate social, cultural or economic benefits, including supporting livelihoods, providing the basis for economic activity, and contributing to human wellbeing.
	CPA	Communal Property Association, usually in the form of a Trust established for purposes of owning land and other communal assets on behalf of a community.
	Debt	Money borrowed from lenders with specified repayment terms, and usually attracting interest at agreed rates.
	Ecological infrastructure	Ecological infrastructure refers to naturally functioning ecosystems that generate and deliver valuable services to people, such as fresh water, climate regulation, soil formation and disaster risk reduction.
	ESG Reporting	Reports issued by organizations regarding the current and future environmental, social and governance (ESG) impacts of their operations, facilitating more transparency about ESG risks and opportunities.
	Intermediary	An expert who mediates as agent or advisor between contracting parties in order to facilitate transactions.
	Site Promoters	The sponsors or owners who drive a business venture, such as the community as represented by the CPA
	Self-liquidating	Commercial transaction capable of generating funds from its own operations to repay the investment made to create it.
	SOPs	Standard Operating Procedures, including all documented internal systems and policies of an entity.