

Bokamoso Ba Rona Agri-Industrial Program: Strategic Partner Briefing



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WRDM Strategic Goals

- WRDM Sector Focus Areas:
 - Agriculture
 - Tourism
 - Mining
 - Green Energy
 - Manufacturing
 - Goal is to establish an alternative economy post mining for the West Rand
 - Bokamoso Ba Rona is a Presidential Project represented in the Jobs Summit and Presidential Investment Conference
 - Investment value??
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Background to the project

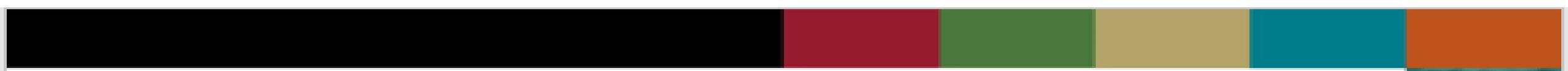
- The Parties recognised the need to develop a post mining economy in the West Rand in the form a partnership that would see Sibanye Still water and the Far West Rand Dolomitic Water Association making land available to further the plans of the Government partners
- A Steering Committee has been established made up of the key parties:
 - **Sibanye Stillwater** shall contribute the land ear-marked for the West Rand Agri-Industrial and Community Development Project to the Programme and the Merafong BioEnergy Eco Industrial Park
 - **Far West Rand Dolomitic Water Association** shall contribute the land ear-marked for the Merafong Agri-Industrial and Community Development Project to the Programme
 - **Department of Planning, Monitoring and Evaluation** (through the Mining Phakisa) shall facilitate effective engagement among critical role players whose support for the Programme is essential for its success



Background to the project

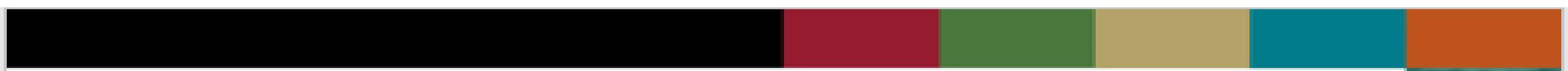
- **Gauteng Infrastructure Financing Agency** shall provide its expertise, networks, contacts and certain information, to assist the Parties in achieving the Programme Objectives
- **Public Investment Corporation** shall assist in securing project development funding and initial start-up capital for the Programme, as well as assisting the Parties in securing the longer term funding required for the implementation and sustainability of the Programme;
- **West Rand Development Agency** shall structure arrangements with the relevant municipal structures to make land ear-marked for the Merafong Bio Energy Eco-industrial Park available to the Programme

The Purpose of this process is to appoint a Program Manager to partner the Steering Committee in the Development of the Project





High Level Objectives of the Agri-Industrial Programme

- Facilitating the creation of a sustainable post-mining economy and development framework in the Programme Area;
 - Creating employment in the Programme Area through a particular focus on high value and labour intensive agricultural and associated industrial development accompanied by training and skills' transfer programs;
 - Accelerating transformation by creating opportunities that provide ongoing development and training for surrounding local communities, with an overall objective of creating a new generation of farmers, entrepreneurs and industrialists; and facilitating comprehensive and sustainable local socio-economic development.
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Implementation Principles

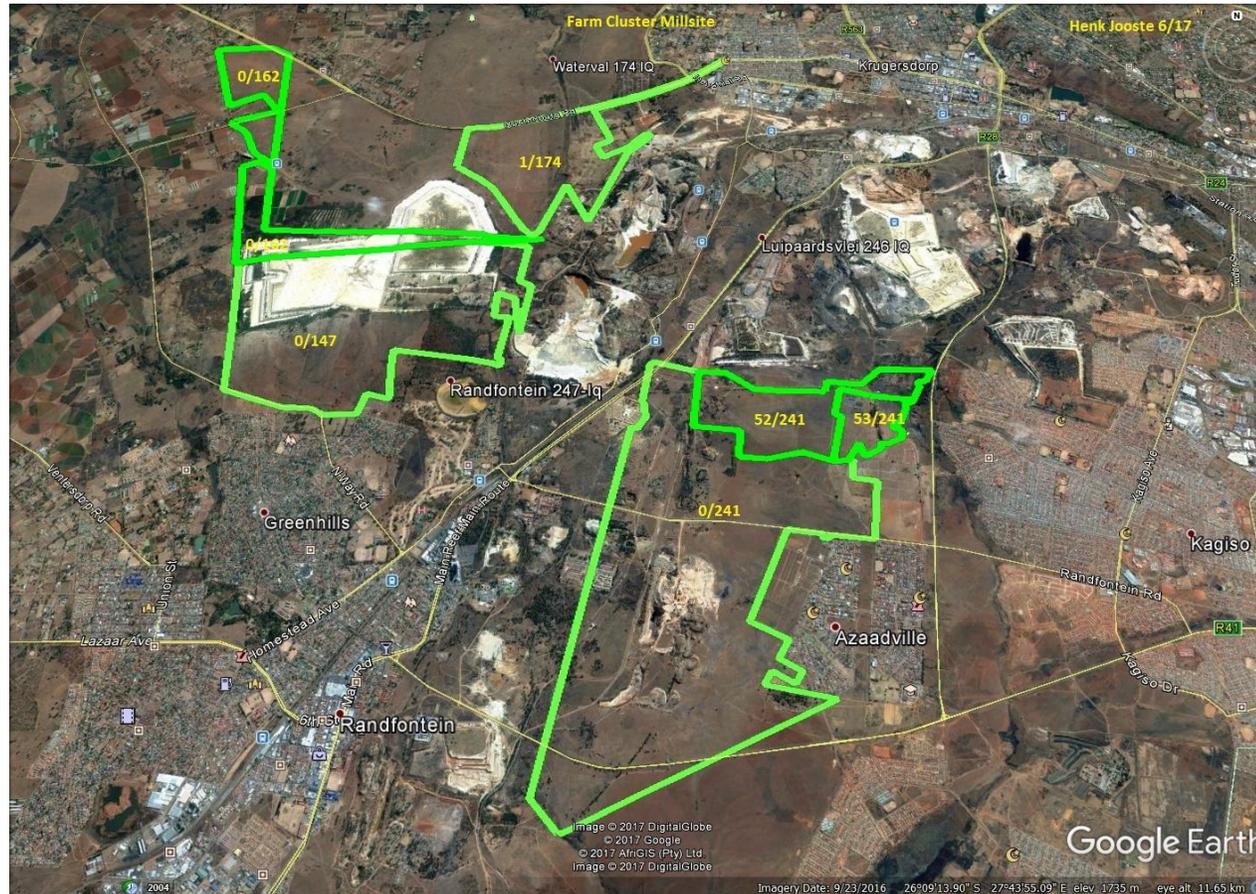
- Be responsive to the needs of the communities that will secure socio-economic benefits;
- Promote the establishment of black entrepreneurs and industrialists supporting transformation and upliftment of the local economy;
- Develop high value and labour intensive export crops and downstream products.
- Attract substantial investment from a broad range of commercial and development financing institutions;
- Optimise the value derived through critical resources, most notably land and water; and
- Provide for the active participation of all stakeholders that have a legitimate interest in the establishment and operation of the envisaged agricultural and agri-processing industrial cluster.

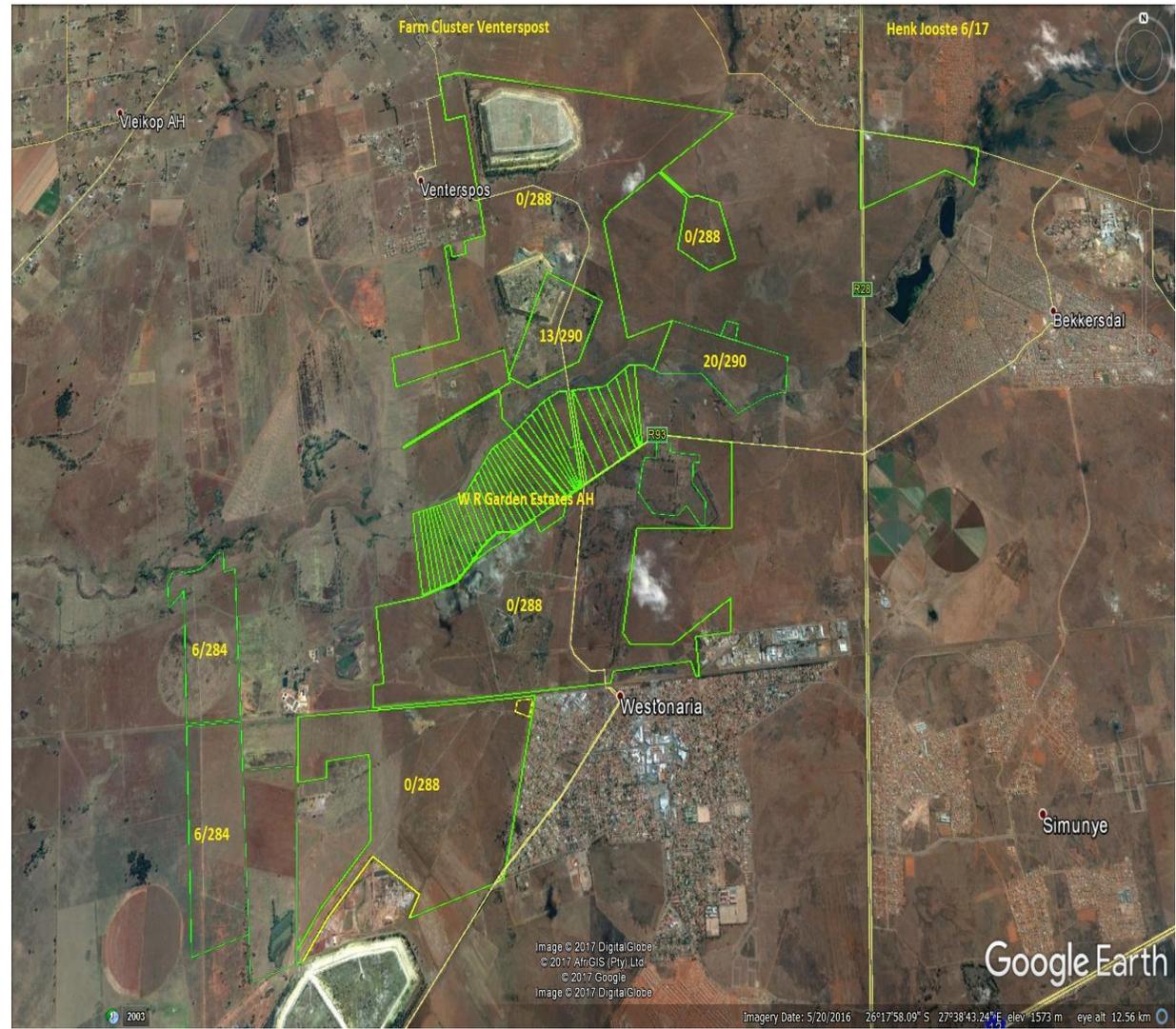
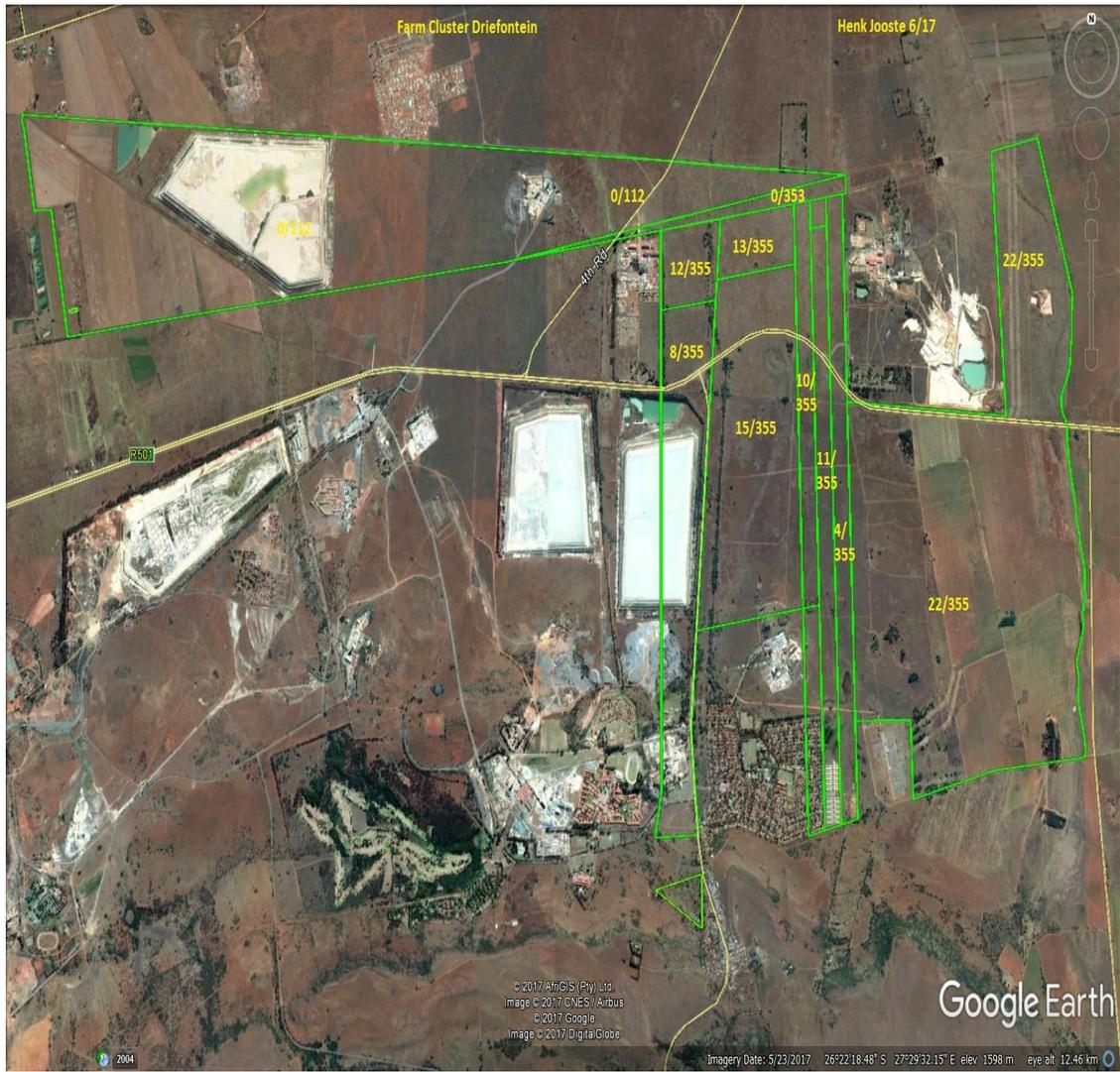
Program needs to integrate agricultural ventures, downstream value addition through agri-processing and through making available critical technical, financial and marketing support mechanisms to established and emerging farmers.

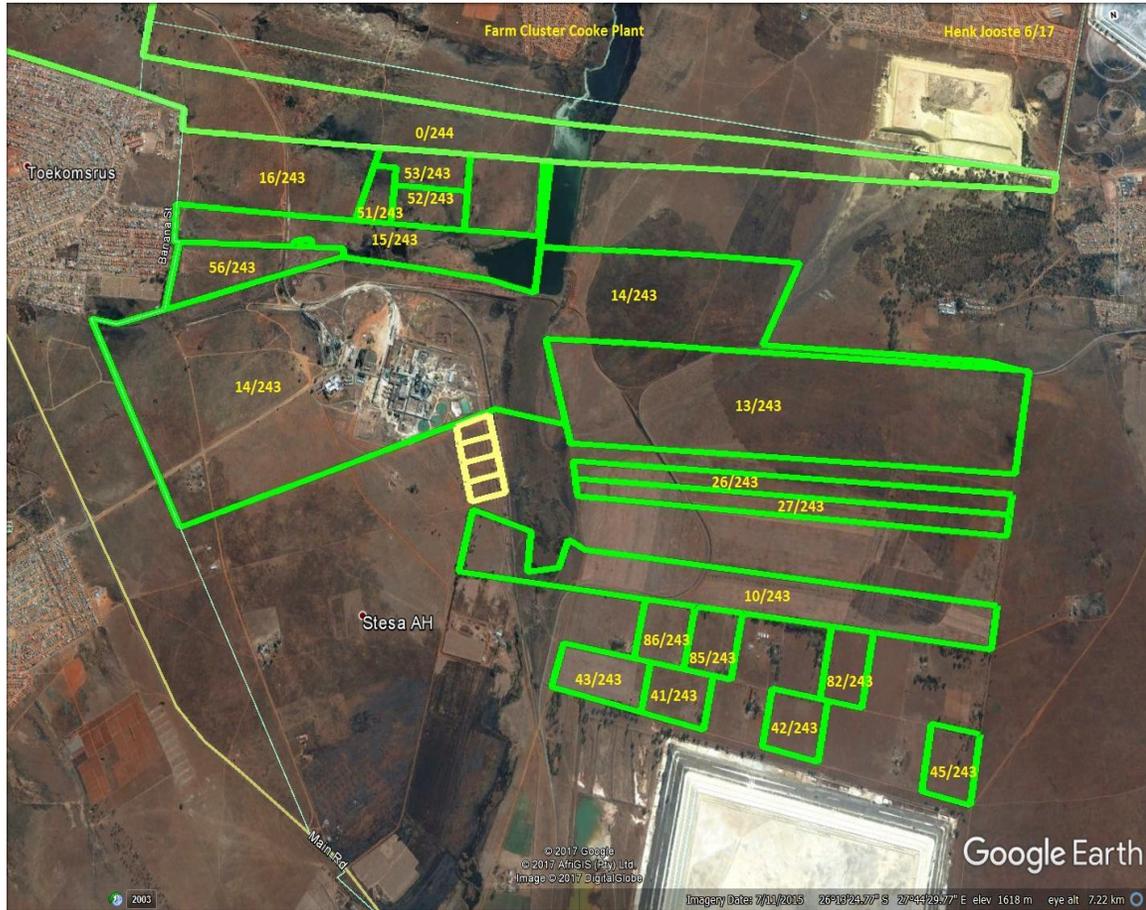


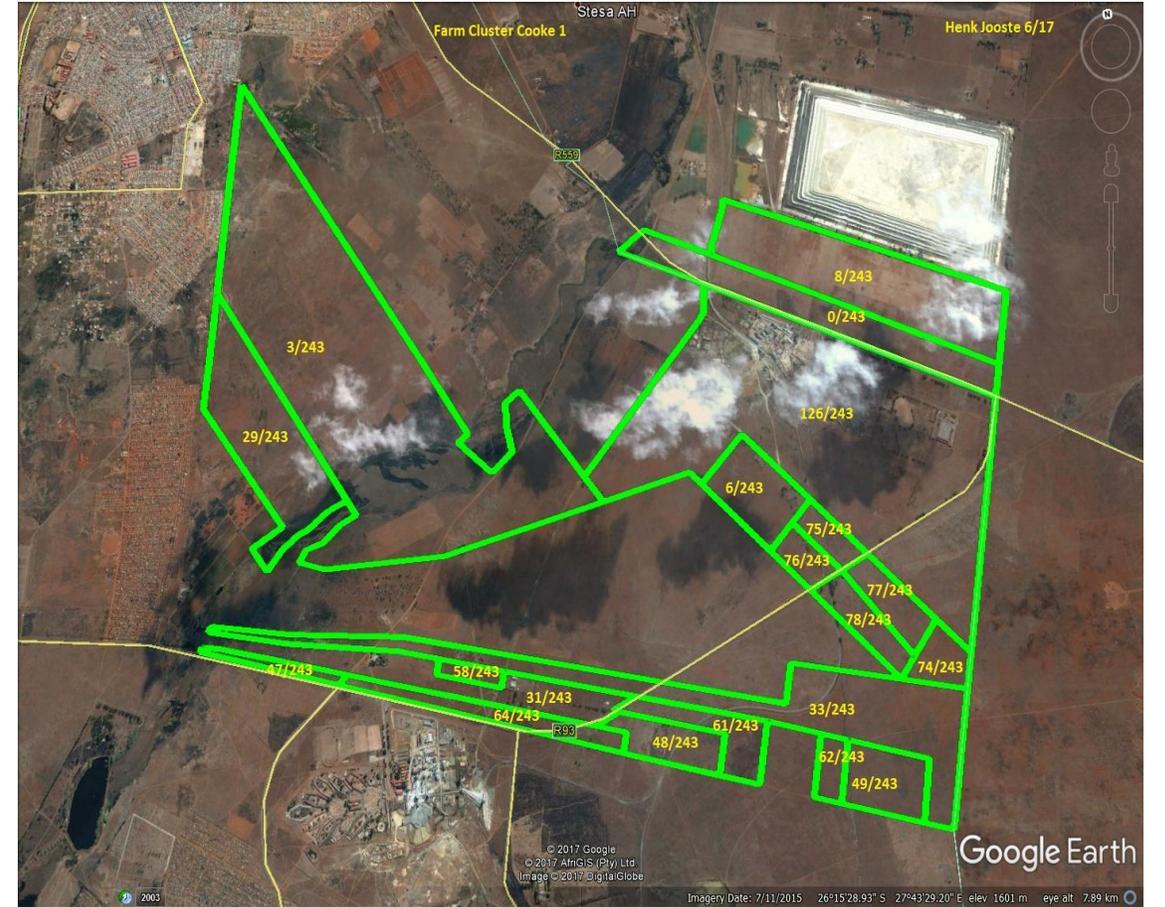
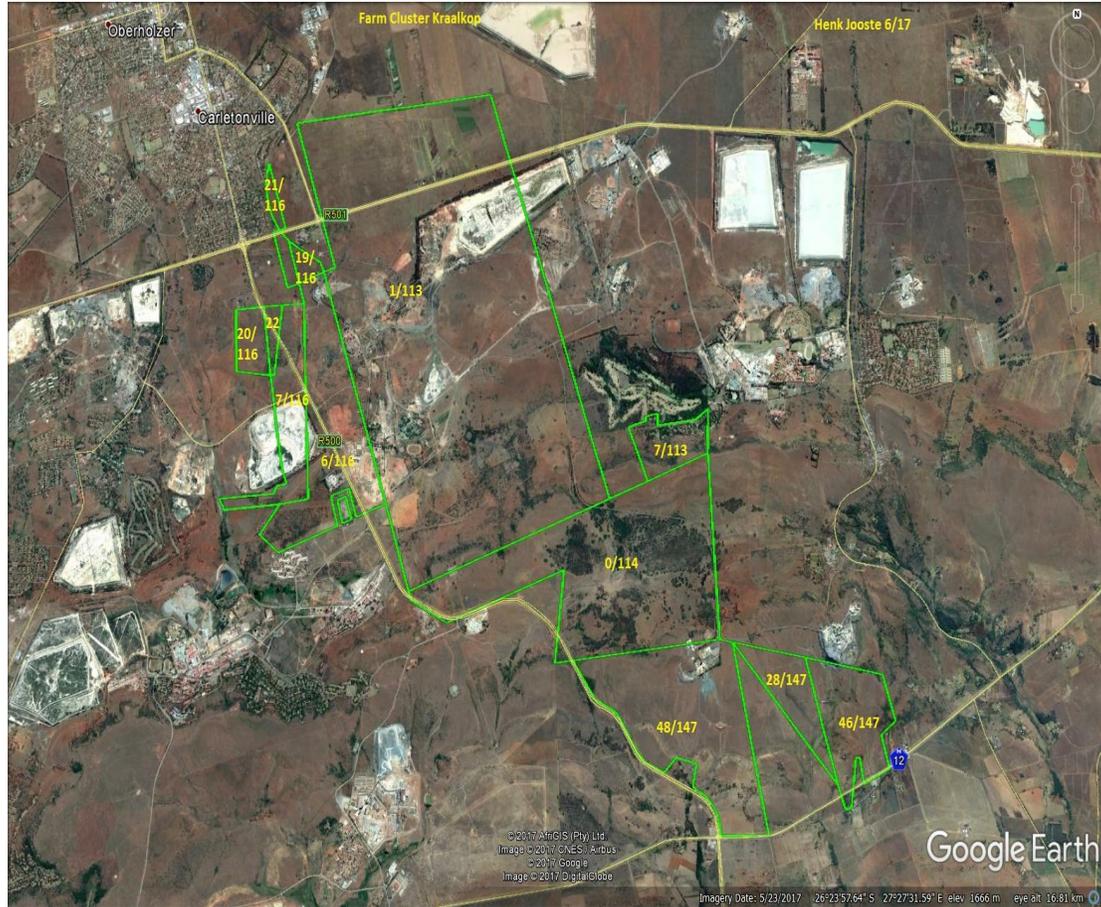
Land made available to the project

- +-30 000ha (Sibanye, FWRDWA, Merafong)
- 50km North to South, 30km East to West



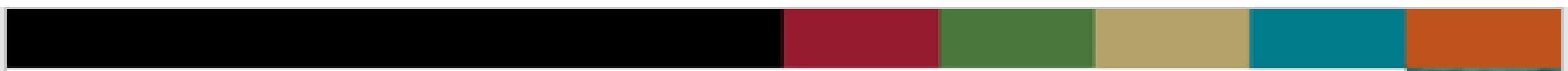








Water Considerations

- A Water Use Licence is required to abstract, use and discharge water (state resource)
 - Sibanye-Stillwater do not have the authority to grant the right to use the water
 - A new Water Use Licence will be required which requires specialist studies:
 - Surface water assessments (wetland delineations, surface water quality, bio-monitoring and floodline delineations)
 - Groundwater assessments (to assess potential water sources, the yield from the boreholes, potential for impacting on the sources and advise on the reserve for the area)
 - Timeframes:
 - Specialist reports up to 6 months
 - Licence application ~ 300 days in addition to the specialist report development
 - Environmental approvals required from DEA/ GDARD/ DAFF with DMR consulted
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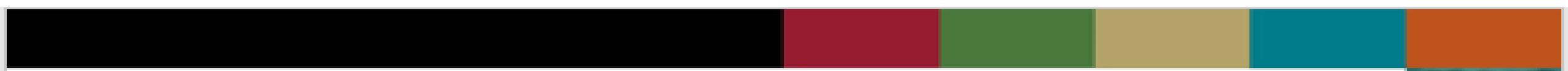
Water Considerations

- **Water sources** will need to be determined based on the water quality and volume required
 - Some discharges may not be appropriate based on irrigation techniques and/or crop types;
 - Volumes and quality will be dependent on crop type;
 - We would want to be responsible and also understand the impact on soil quality;
 - **Water infrastructure** placement such as pipelines, canals and dams will determine any NEMA and/or NWA requirements
 - **Surface and groundwater impacts** where pesticides and fertilizers are used
 - **Reserve determination** to consider the impacts / requirements of surrounding users
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Water Considerations

- **Regional solution** is critical to a sustainable socio economic regional closure solution
 - A sustainable pump and treat solution must be found as the mines will not pump indefinitely;
- **Ground Stability:** Intensive irrigation will require extensive geo technical evaluation to mitigate the risk of sinkhole formation



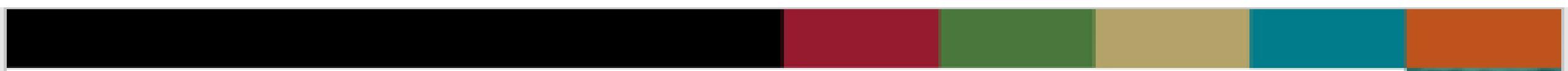


Strategic Fit with PIC

- PIC's Agribusiness Strategy does recognize the need to fully exploit available agricultural land and bringing 'brown fields' and 'green fields' agri land into productive use;
 - The programme therefore is aligned to PIC Agribusiness Strategy:
 - *seeks to fully exploit potential inherent in the available underexploited agricultural land.*
 - *Programme has the potential to create investible projects, that not only yields good financial returns but also make good social contributions to the surrounding communities ~ mantra Doing great by doing good;*
 - *Land is being made available within the context of possible of constitutional changes on the Land Question wherein 'secure access' will be a premium;*
 - PIC, as an SOE, seeks to contribute to the government agenda of job creation, poverty alleviation, good environmental stewardship and all other public good initiatives within PIC mandate. Further, PIC subscribes to Sustainable Development Goals (SGDs), NDP, etc...
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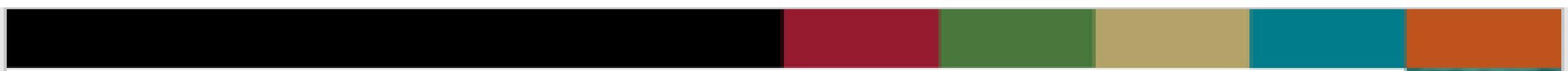


Strategic Fit with PIC

- Through this and other initiatives in the offing in the west rand, potential exists for locals to work locally producing goods with global market appeal and thus linking local production to global supply chains;
 - While PIC presence does not guarantee full funding of all identified projects, it is envisaged that the presence will facilitate the crowding-in/ leveraging in of other investors/funders.
 - Potential bidders are encouraged to be innovative while at the same time ensuring that all identifiable risks are mitigated for appeal among investors;
 - PIC will not be prescriptive on the structure, among others.
 - PIC presence or appointment as Programme Manager does not constitute automatic funding. Each case will be evaluated according to PIC Assessment, Due diligence and lending criteria.
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The Programme Manager: Strategic Partner

- Definition
 - Inherent Risks
 - Arrangements to be negotiated
 - Accountability
 - Programme Design and Implementation
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Strategic Partnership versus Service Provider

Strategic Partnership

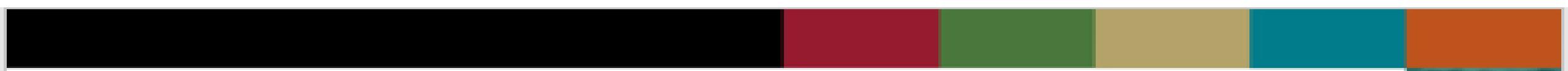
- Aligned interest between the parties to achieve a mutually beneficial long term objective
- Collaborative in nature, often based on sharing of resources
- Built in flexibility to the extent that parties able to use high levels of discretion to achieve the objective (i.e. parties are empowered to take necessary initiative)
- Associated with a level of risk share.
- Commercial conditions captured in a partnership agreement

Service Provider

- Transactional, rules based, relationship based on the service provider delivering clearly specified outputs within defined timelines.
 - Commercial relationship defined in contract which links to remuneration to a timeline and deliverables.
 - The role of the service provider is tightly defined in relation to the deliverables – little discretion beyond the scope of the contract.
 - Limited risk share (although contract can be performance based).
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Role of the Programme Manager

- First and foremost needs to be viewed as a strategic partnership relationship, not a service provider relationship.
 - The Program Manager will be the implementation partner of the Steering Committee responsible for the (co)development of the strategy and business plan and then the implementation of the plan
 - The capabilities, networks and resources that the strategic partner brings to the table will be a core context for the co-development of a strategy – hence not being overly prescriptive around the Programs strategy.
 - Critical that we receive a comprehensive value proposition from respondents around how their participation as the strategic partner can support the achievement (and more?) of the Program’s objectives.
 - However, the value proposition must be credible – the respondent must show that they have the resources, capabilities, track-record, skills and networks to deliver on their proposition.
 - It is also vital that the respondent provide an indication of how they would like a strategic partnership to be structured.
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Examples of required capabilities

- Experience in promoting investment and providing oversight and support for the development of large scale high value agri-industrial projects.
 - Credibility with potential investors in the Fund and with Banks to manage equity and debt finance in order to build a value chain based portfolio of agri-industrial enterprises.
 - Ability to support the export process through facilitating trading finance and new market access.
 - Ability to support the produce value add process.
 - Proven ability to partner farmers in the development of high value projects.
 - Proven ability to add value to the development and implementation of out-grower projects including a track record in mentoring and training emerging farmers.
 - Ability to oversee the design and building of infrastructure required for the programme.
 - Track record of engaging with surrounding communities to secure support for the program.
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Process Moving Forward

- Submissions must be received by **15h00 pm on 2 November 2018**
- A shortlist will be prepared following an assessment of the responses.
- Shortlisted applicants will be requested to make a presentation to the Steering Committee
- A candidate will then be selected for detailed negotiations.

Item	Description	Due Date
1.	RFQ issued	28/09/2018
2.	RFQ Respondents to indicate attendance of the non-compulsory RFQ Clarification Session	05/10/2018
3.	RFQ Clarification Session held (non-compulsory)	12/10/2018
4.	Clarification responses to be made available to all entities that have indicated intent to submit a RFQ response	17/10/2018
5.	Closure date for RFQ response submissions	15h00 (strictly) 02/11/2018
6.	RFQ Respondent Interviews (to be arranged individually based on short-listing)	12 - 16/11/2018
7.	Review of RFQ Respondent responses completed	23/11/2018
8.	Final decision made by the Partners	23/11/2018



QUESTIONS??

