

# Annexure J



Archaetnos Culture & Cultural  
Resource Consultants  
BK 98 09854/23

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**A REPORT ON A HERITAGE IMPACT ASSESSMENT FOR THE JABULANI  
VILLAGE DEVELOPMENT, ON PORTION 1 OF THE FARM THE BENDS 417 IT,  
AMSTERDAM AREA, MPUMALANGA**

For:

***PLAN2SURVEY  
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**REPORT: AE1009**

by:

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<b>SUMMARY</b>
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Archaetnos cc was appointed by Plan2Survey, in conjunction with Development Management Services, to conduct a heritage impact assessment on Portion 1 of the farm The Bends 417 IT, in the Amsterdam area in Mpumalanga Province. The development of the so-called Jabulani Village is being proposed.

In the area to be impacted upon by the proposed development a number of sites of some cultural heritage significance were found, dating to the recent historical period. The report gives a discussion of these sites and also gives an indication of the methodology followed. It also indicates how to deal with any archaeological material that may be unearthed during future development activities.

**The sites are of some cultural significance. Mitigation measures to minimize the impact of the development on these sites are put forward at the end of this report. Once these have been implemented the development can continue.**

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## 1. INTRODUCTION

Archaetnos cc was appointed by Plan2Survey, in conjunction with Development Management Services, to conduct a heritage impact assessment on Portion 1 of the farm The Bends 417 IT, in the Amsterdam area in Mpumalanga Province. The development of the so-called Jabulani Village is being proposed.

In the area to be impacted upon by the proposed development a number of sites of some cultural heritage significance were found, dating to the recent historical period.

Mr. Eric Malinga, a development worker from Mondi, was consulted and he indicated the boundaries of the area to be investigated and the survey was confined to this area. He also informed us of the nature of the development.

## 2. TERMS OF REFERENCE

The Terms of Reference for the survey were to:

1. Identify all objects, sites, occurrences and structures of an archaeological or historical nature (cultural heritage sites) located in the area of the proposed development (see Appendix A).
2. Assess the significance of the cultural resources in terms of their archaeological, historical, scientific, social, religious, aesthetic and tourism value (see Appendix B).
3. Describe the possible impact of the proposed development on these cultural remains, according to a standard set of conventions.
4. Propose suitable mitigation measures to minimize possible negative impacts on the cultural resources.
5. Review applicable legislative requirements.

## 3. CONDITIONS & ASSUMPTIONS

The following conditions and assumptions have a direct bearing on the survey and the resulting report:

1. Cultural Resources are all non-physical and physical man-made occurrences, as well as natural occurrences associated with human activity. These include all sites, structure and artifacts of importance, either individually or in groups, in the history, architecture and archaeology of human (cultural) development. Graves and cemeteries are included in this.
2. The significance of the sites, structures and artifacts is determined by means of their historical, social, aesthetic, technological and scientific value in relation to their uniqueness, condition of preservation and research potential. The various aspects are

not mutually exclusive, and the evaluation of any site is done with reference to any number of these aspects.

3. Cultural significance is site-specific and relates to the content and context of the site. Sites regarded as having low cultural significance have already been recorded in full and require no further mitigation. Sites with medium cultural significance may or may not require mitigation depending on other factors such as the significance of impact on the site. Sites with a high cultural significance require further mitigation (see Appendix B).
4. The latitude and longitude of any archaeological or historical site or feature, is to be treated as sensitive information by the developer and should not be disclosed to members of the public.
5. All recommendations are made with full cognizance of the relevant legislation.
6. It has to be mentioned that it is almost impossible to locate all the cultural resources in a given area, as it will be very time consuming. Developers should however note that the report should make it clear how to handle any other finds that might be found.
7. In this particular case certain areas had a thick grass cover which made archaeological visibility difficult.

#### **4. LEGISLATIVE REQUIREMENTS**

Aspects concerning the conservation of cultural resources are dealt with mainly in two acts. These are the National Heritage Resources Act (Act 25 of 1999) and the National Environmental Management Act (Act 107 of 1998).

##### **4.1 The National Heritage Resources Act**

According to the above-mentioned law the following is protected as cultural heritage resources:

- a. Archaeological artifacts, structures and sites older than 100 years
- b. Ethnographic art objects (e.g. prehistoric rock art) and ethnography
- c. Objects of decorative and visual arts
- d. Military objects, structures and sites older than 75 years
- e. Historical objects, structures and sites older than 60 years
- f. Proclaimed heritage sites
- g. Grave yards and graves older than 60 years
- h. Meteorites and fossils
- i. Objects, structures and sites of scientific or technological value.

##### **Archaeology, palaeontology and meteorites**

Section 35(4) of this act states that no person may, without a permit issued by the responsible heritage resources authority:

- a. destroy, damage, excavate, alter, deface or otherwise disturb any archaeological or palaeontological site or any meteorite;
- b. destroy, damage, excavate, remove from its original position, collect or own any archaeological or palaeontological material or object or any meteorite;
- c. trade in, sell for private gain, export or attempt to export from the Republic any category of archaeological or palaeontological material or object, or any meteorite; or
- d. bring onto or use at an archaeological or palaeontological site any excavation equipment or any equipment that assists in the detection or recovery of metals or archaeological and palaeontological material or objects, or use such equipment for the recovery of meteorites.
- e. alter or demolish any structure or part of a structure which is older than 60 years as protected.

The above mentioned may only be disturbed or moved by an archaeologist, after receiving a permit from the South African Heritage Resources Agency.

#### **4.2 The National Environmental Management Act**

This act states that a survey and evaluation of cultural resources must be done in areas where development projects, that will change the face of the environment, will be undertaken. The impact of the development on these resources should be determined and proposals for the mitigation thereof are made.

### **5. METHODOLOGY**

#### **5.1 Survey of literature**

A survey of literature was undertaken in order to obtain background information regarding the area. Sources consulted in this regard are indicated in the bibliography.

#### **5.2 Field survey**

The survey was conducted according to generally accepted HIA practices and was aimed at locating all possible objects, sites and features of cultural (archaeological and historical) significance in the area of proposed development. If required, the location/position of any site is determined by means of a Global Positioning System (GPS), while photographs are also taken where needed.

The survey was undertaken on foot, although certain areas were traversed by vehicle.

#### **5.3 Oral histories**

People from local communities are interviewed in order to obtain information relating to the surveyed area. It needs to be stated that this is not applicable under all circumstances. When applicable, the information is included in the text and referred to in the bibliography. The development worker from Mondi, Mr. Eric Malinga, was consulted in this case.



## 5.4 Documentation

All sites, objects, features and structures identified were documented according to the general minimum standards accepted by the archaeological profession. Co-ordinates of individual localities were determined by means of the Global Positioning System (GPS). The information was added to the description in order to facilitate the identification of each locality.

## 6. DESCRIPTION OF THE AREA

Jabulani Village is located on the banks of the Morgenstond Dam and 2km off the main Panbult-Amsterdam road. It falls within the Iswepe Mondi management area and is just one of about 56 villages located on Mondi land. It is located on Portion 1 of the farm The Bends 417 IT

Fairly dense grass cover made visibility difficult, and the area has been extensively disturbed through plantation activities. Very little of the original vegetation exists.

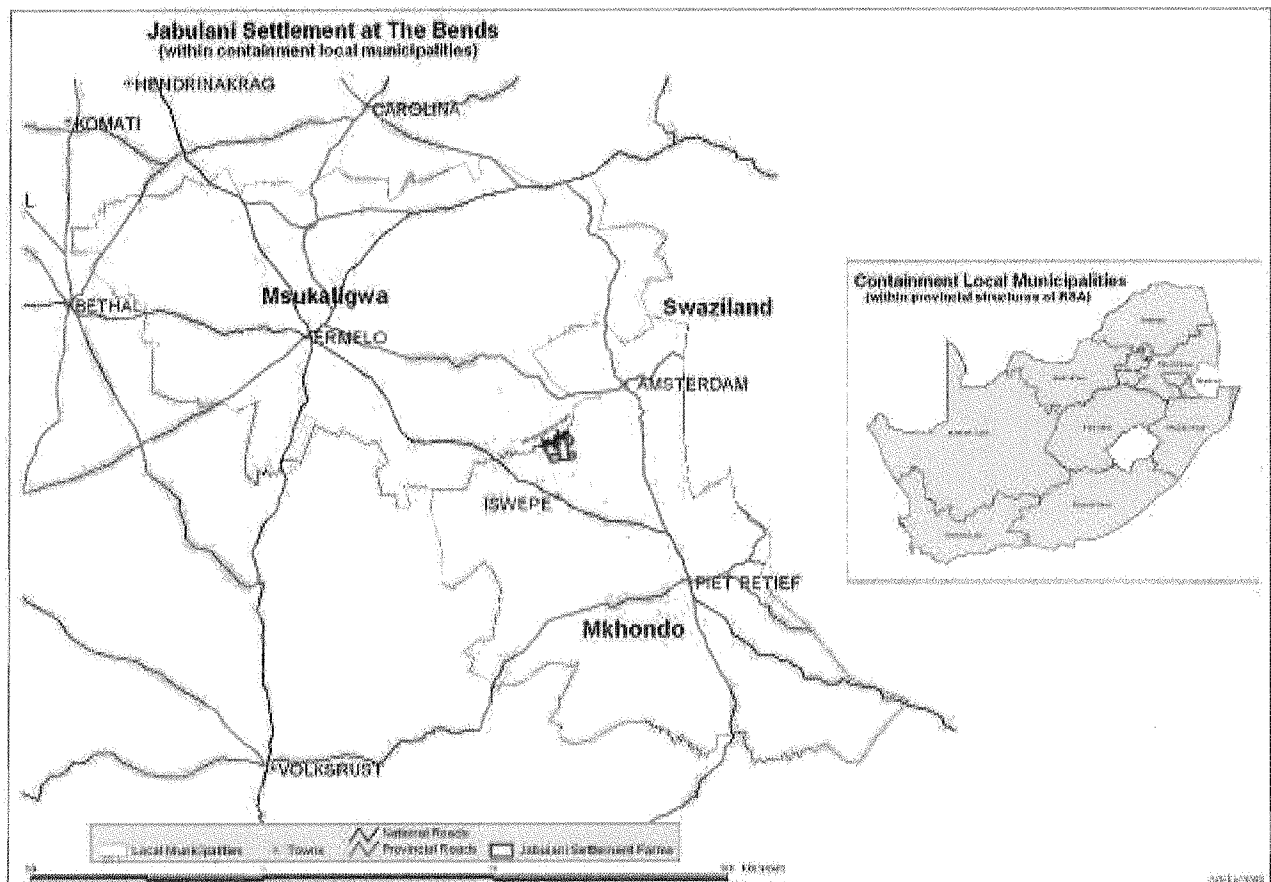
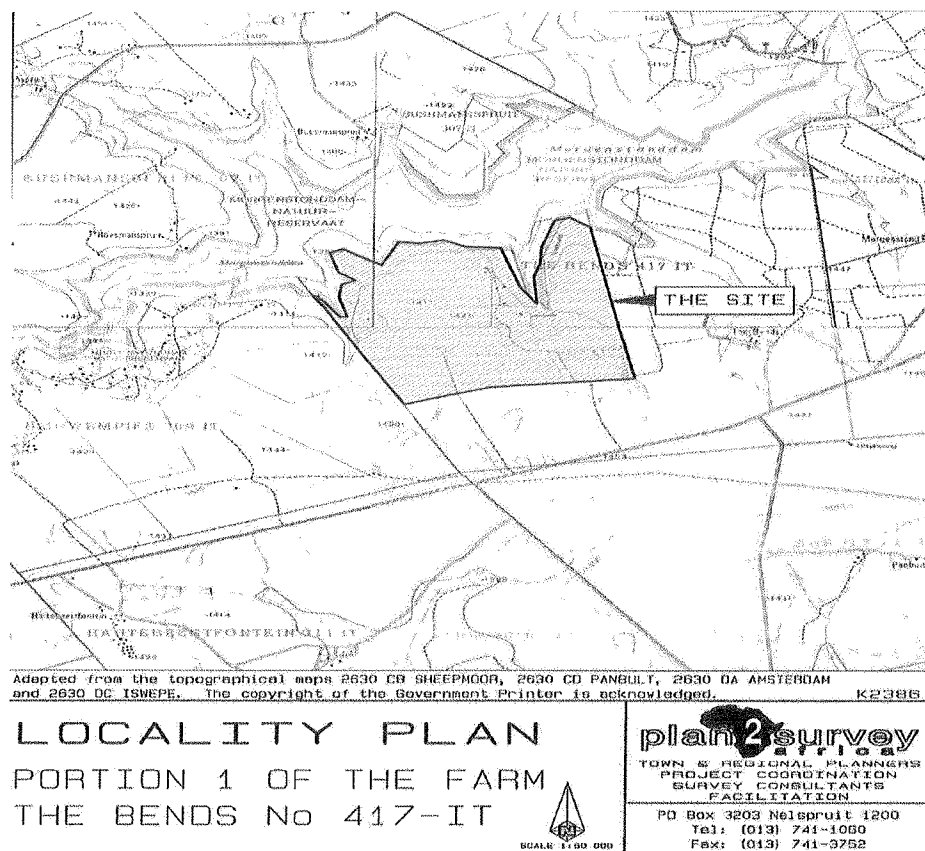


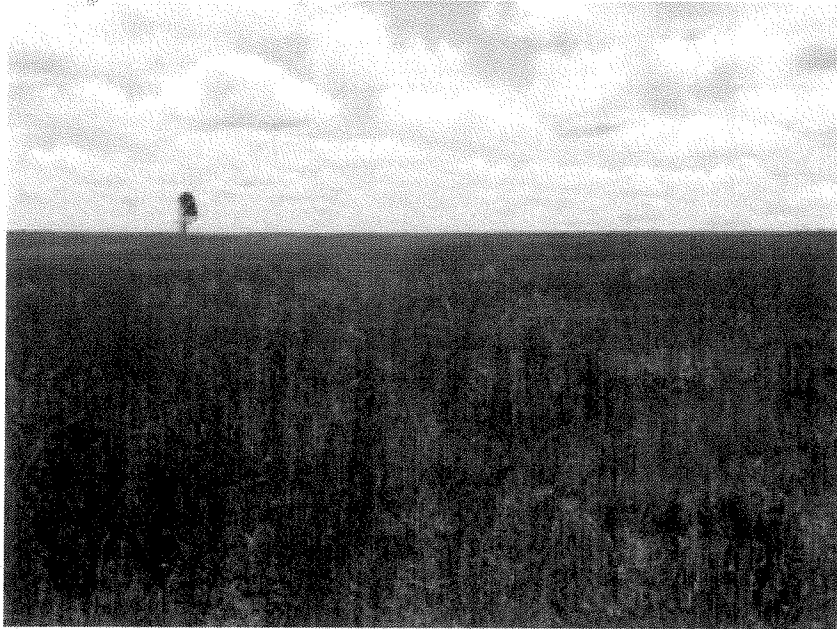
Figure 1: Location of Jabulani Village (map courtesy of client)



**Figure 2: Locality Plan**



**Figure 3: General view of the area.  
Jabulani Village is visible in the background**



**Figure 4: Another view of the area – Note the dense grass cover**



**Figure 5: A view of the plantations that cover large portions of the area**

## **7. DISCUSSION**

Before the results of the survey are discussed it would suffice to give a short description of the proposed development. Some 35 households reside in the main settlement (called Jabulani) whilst the following small settlements are located within 2km of this main settlement.

- The Bends – 7 households
- Shonalanga- 11 households
- Spablek – 21 households
- New Compound – 57 households

The socio economic conditions in Jabulani and surrounding settlements are typical of low income residential settlements on the privately and company held forestry lands in the Mkhondo municipal area. The settled land holdings are owned by Mondi ltd who is in the process of entering into a partnership with government and the Mkhondo Municipality in order to address the developmental needs of residents in the Jabulani complex and thereafter extend the initiative across all its holdings in the Mkhondo region.

The intention of the Jabulani Agrivillage pilot project is to pioneer and test a development approach which can be replicated as a land reform and rural development model across the full extent of the Mkhondo region. The residential area will be located in and around the existing Jabulani Settlement area. Existing homestead plots will be retained and the larger of these plots be used as the size template for the new homestead plots to be developed. This generates an average homestead plot of 2500m<sup>2</sup>.

110 homestead plots will be developed, to accommodate existing Jabulani occupants and households from surrounding villages who wish to move into Jabulani. 39 of the 110 sites will be created around existing homesteads whilst the balance will be generated between and adjacent to these areas.

Within the residential area provision will be made for movement and infrastructure requirements and a community services centre capable of accommodating the following:

- School and creche/community learning facility
- Mini multi purpose centre
- Soccer and netball fields
- Worship/community site

Provision has also been made for a retail facility and two sites to accommodate production related activities. Many commentators on the site have noted the potential of the areas fronting onto the Morgenstond Dam as a waterfront resort development. Whilst more detailed feasibility studies still need to be executed it currently appears that this frontage holds considerable potential to generate a revenue stream and source of employment of agrivillage residents. Accordingly the current layout makes provision for the use of 7ha of the dam waterfront for resort development purposes.

**(The above information was obtained from the Project Outline Document for the Jabulani Pilot Agrivillage, provided by the client).**



**Figure 6: Thathukusa Primary School at Jabulani.**  
**The school is currently closed and would be utilized in the future developments**



**Figure 7: Some of the existing houses at Jabulani**



**Figure 8: Some of the more traditional structures at Jabulani**

During the survey two sites of cultural heritage significance was located in the survey area, and one just outside. In order to enable the reader to understand archaeological objects, features and sites that could possibly be unearthed and disturbed during development, it is necessary to give a background regarding the different phases of human history.

### **7.1 Stone Age**

The Stone Age is the period in human history when lithic (stone) material was mainly used to produce tools (Coertze & Coertze 1996: 293). In South Africa the Stone Age can be divided in three periods. It is however important to note that dates are relative and only provide a broad framework for interpretation. The division for the Stone Age according to Korsman & Meyer (1999: 93-94) is as follows:

- Early Stone Age (ESA) 2 million – 150 000 years ago
- Middle Stone Age (MSA) 150 000 – 30 000 years ago
- Late Stone Age (LSA) 40 000 years ago – 1850 - A.D.

A number of Stone Age sites, including rock painting sites are known in the Ermelo, Chrissiesmeer and Carolina areas, but none in the Amsterdam area (Bergh 1999: 4 – 5). No stone age sites or occurrences were found during the survey.

### **7.2 Iron Age**

The Iron Age is the name given to the period of human history when metal was mainly used to produce artifacts (Coertze & Coertze 1996: 346). In South Africa it can be divided in two separate phases according to Van der Ryst & Meyer (1999: 96-98), namely:

- Early Iron Age (EIA) 200 – 1000 A.D.
- Late Iron Age (LIA) 1000 – 1850 A.D.

Huffman (2007: xiii) however indicates that a Middle Iron Age should be included. His dates, which now seem to be widely accepted in archaeological circles, are:

Early Iron Age (EIA) 250 – 900 A.D.  
Middle Iron Age (MIA) 900 – 1300 A.D.  
Late Iron Age (LIA) 1300 – 1840 A.D.

No Early Iron Age sites are known to exist in the area, although there are some Late Iron Age sites in the Ermelo, Chrissiesmeer and Carolina areas (Bergh 1999: 7). During the so-called difaqane, Mzilikazi's Ndebele moved through the area (Bergh 1999: 11).

No Iron Age sites, features or objects were found during the survey of the area. If any did exist here in the past, recent human activities would have disturbed or destroyed it extensively.

### 7.3 Historical Age

The historical age started with the first recorded oral histories in the area. It includes the moving into the area of people that were able to read and write.

Amsterdam was established in 1882 and during 1884 – 1888 the area formed part of the so-called Nieuwe Republiek (Bergh 1999: 20; 49). During the Anglo-Boer War (1899-1902), Boer commandos, pursued by British forces, moved through the area, while the Battle of Bankkop was fought near Amsterdam on the 4<sup>th</sup> of January 1902 (Bergh 1999: 51; 54).

The sites found during the survey belong to the recent past. A spent .303 cartridge found during the fieldwork could date to the late 19<sup>th</sup>/early 20<sup>th</sup> century (the Anglo-Boer War), but this could not be determined without a doubt.



**Figure 9: Spent cartridge found in the area**

## 7.4 Discussion of sites identified during the survey

### Site 1

This site actually falls outside the development area. It is a recent informal graveyard, containing 23 stone packed graves without headstones.

GPS: S 26. 75218 E 30.53126



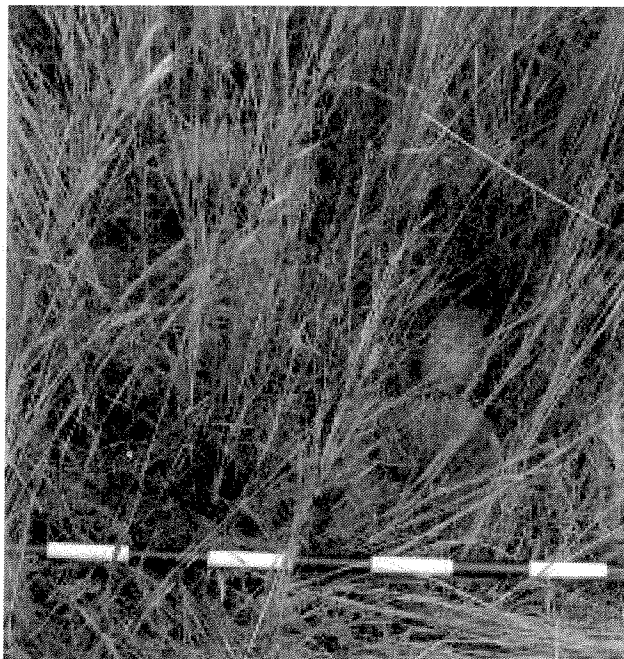
Figure 10: Site 1

### Site 2

Site 2 is a possible grave site, containing at least 1 stone packed grave, although there might be more in the area. The dense grass cover makes visibility difficult.

GPS: S 26. 75563 E 30.51258





**Figure 11: Possible stone packed grave on Site 2**

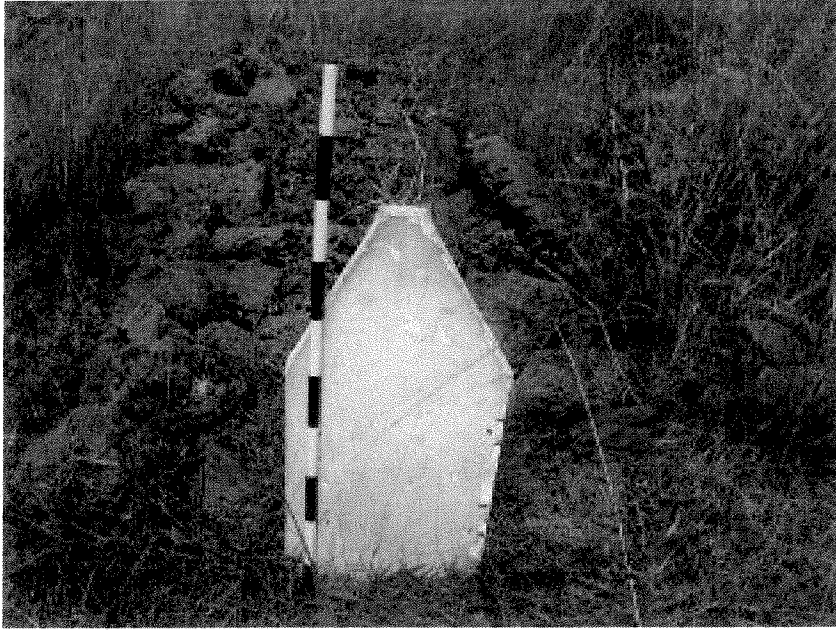
Site 3

Site 3 is a fairly large informal graveyard, containing at least 68 graves. Most are unknown stone packed graves without any headstones. A small number has headstones with inscriptions. The only date of death that could be determined is 2002. Most of the graves on the site is probably less than 60 years of age, although this can not be determined without a doubt at this stage. Whether or not deceased from Jabulani is still being buried here was also not determined. **Both Sites 2 & 3 might not be impacted on directly by the proposed developments.**

GPS: S 26. 75489 E 30.51167



**Figure 12: Site 3**



**Figure 13: One of the headstones on Site 3**



**Figure 14: The most recent grave at Site 3**

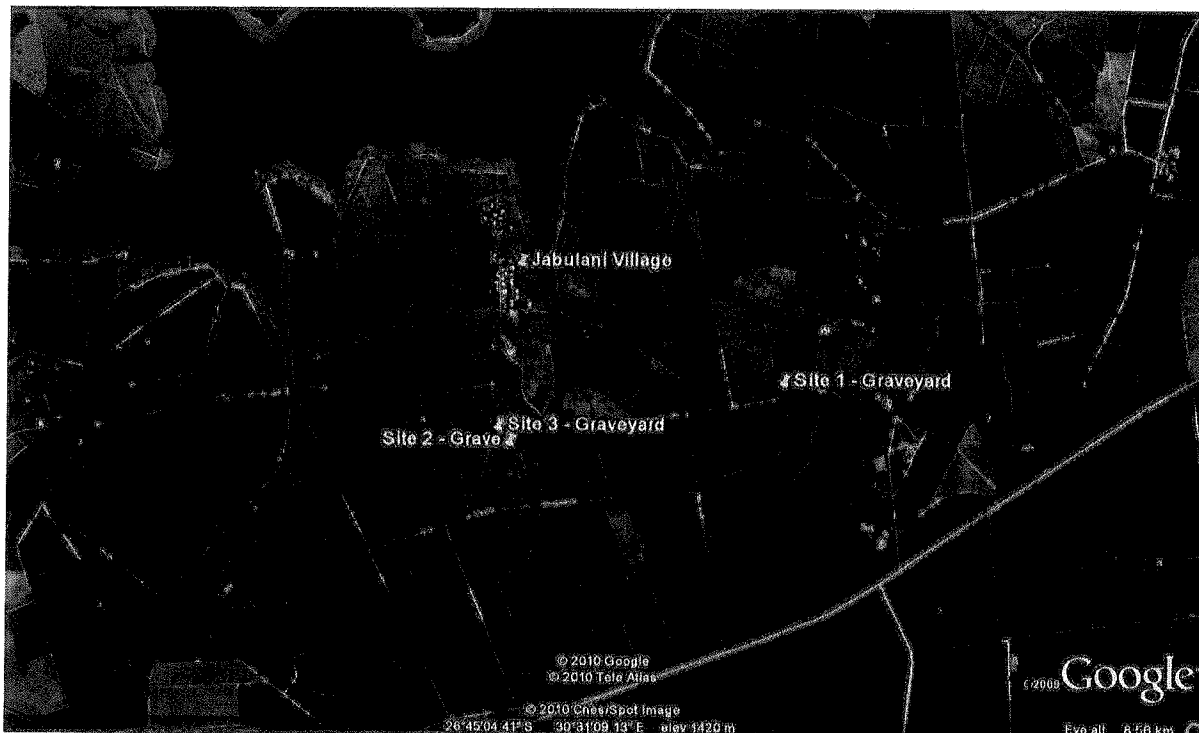


Figure 15: Location of sites in the area

## 8. CONCLUSIONS AND RECOMMENDATIONS

In conclusion it can be stated that the assessment of the area was conducted successfully. Three sites, all graveyards, were identified, while a possible Anglo-Boer War (1899-1902) object (a spent cartridge) was also found during the survey. One of the graveyards (Site 1) is located outside of the surveyed area (Portion 1 of the Bends 417 IT). Sites 2 & 3, although highly significant as graves and graveyards, might not be impacted on directly by the proposed development activities. The development, from a Cultural Heritage point of view, can therefore continue, taking into consideration the following recommendations:

- That the graveyards not be disturbed at all and that they be cleaned and fenced-in. Access to the grave sites should not be restricted, should an descendants/family members of the deceased wish to visit the graves.
- If more graves or graveyards are identified during the development activities, these should be recorded and also handled accordingly (cleaned and fenced).
- It should be noted that the subterranean presence of archaeological and/or historical sites, features or artifacts are always a distinct possibility. Care should therefore be taken during any development activities that if any of these are accidentally discovered, a qualified archaeologist be called in to investigate.
- Because of the dense grass cover, visibility was difficult. Any features, objects or sites could therefore have been missed. This includes low, stone-packed, graves.

## 9. REFERENCES

Location of development and Sites: Images © Google Earth

Location maps provided by clients (DMS and Plan2Survey)

- Bergh, J.S. (red.). 1999. **Geskiedenisatlas van Suid-Afrika. Die vier noordelike provinsies.** Pretoria: J.L. van Schaik.
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- Republic of South Africa. 1998. **National Environmental Management Act (no 107 of 1998).** Pretoria: The Government Printer.
- Van der Ryst, M.M. & Meyer, A. 1999. Die Ystertydperk. Bergh, J.S. (ed.). **Geskiedenisatlas van Suid-Afrika. Die vier noordelike provinsies.** Pretoria: J.L. van Schaik.

**APPENDIX A****Definition of terms:**

Site: A large place with extensive structures and related cultural objects. It can also be a large assemblage of cultural artifacts, found on a single location.

Structure: A permanent building found in isolation or which forms a site in conjunction with other structures.

Feature: A coincidental find of movable cultural objects.

Object: Artifact (cultural object).

(Also see Knudson 1978: 20).

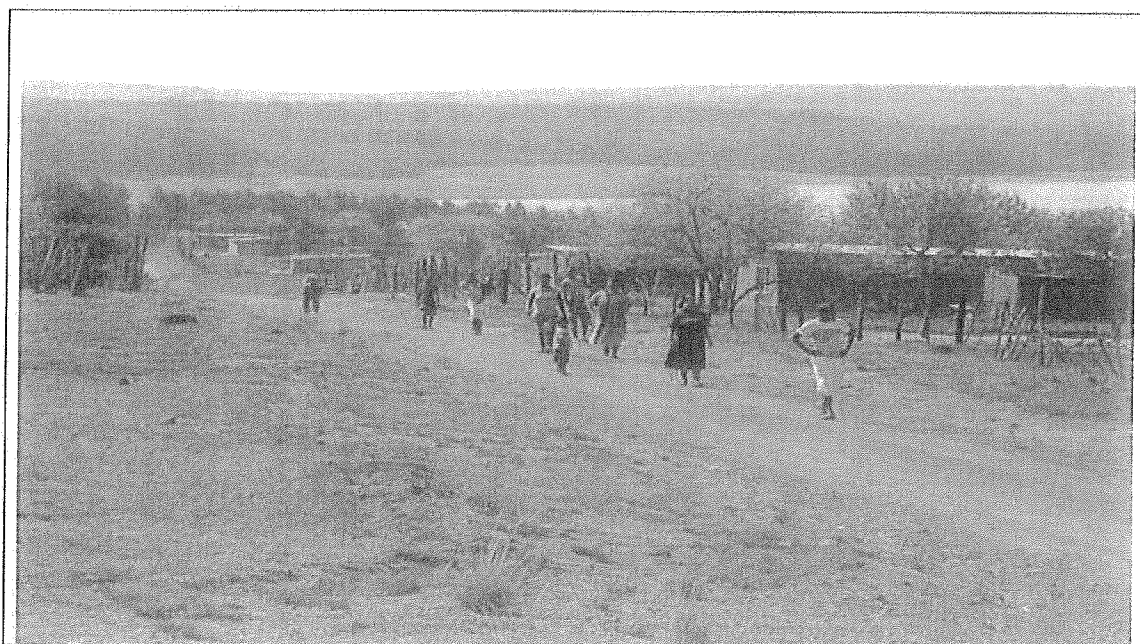
**APPENDIX B**

## Cultural significance:

- Low            A cultural object being found out of context, not being part of a site or without any related feature/structure in its surroundings.
  
- Medium        Any site, structure or feature being regarded less important due to a number of factors, such as date and frequency. Also any important object found out of context.
  
- High            Any site, structure or feature regarded as important because of its age or uniqueness. Graves are always categorized as of a high importance. Also any important object found within a specific context.

# Annexure K

**PROJECT OUTLINE DOCUMENT  
For  
THE JABULANI PILOT AGRIVILLAGE**



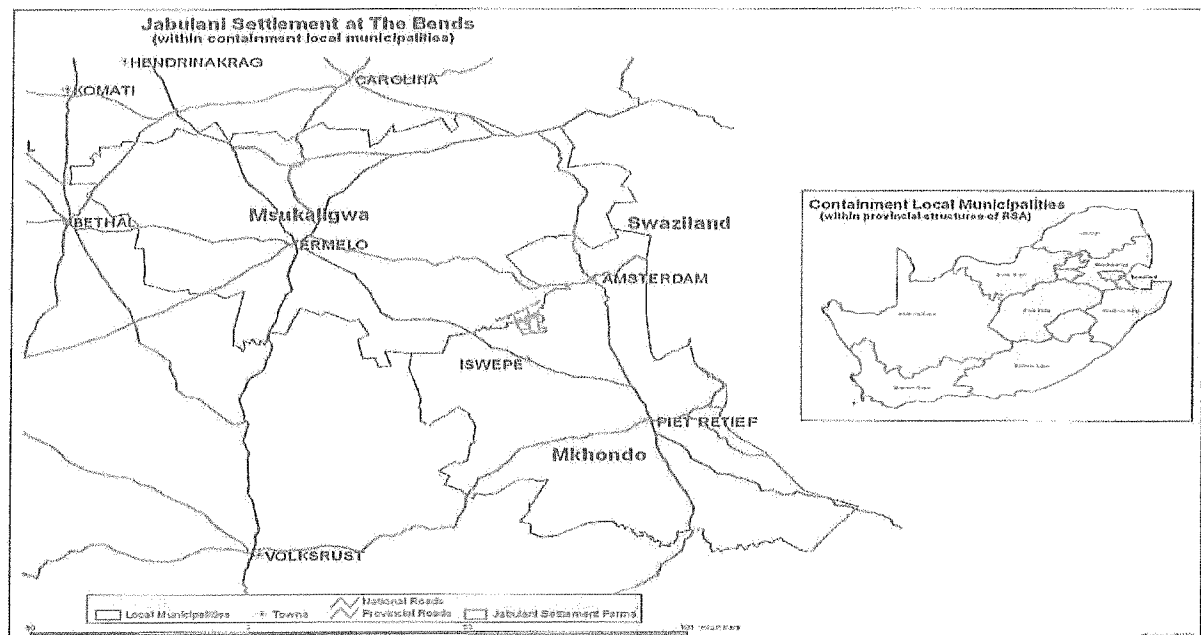
16 OCTOBER 2009



## Background:

Jabulani is located on the banks of the Morgenstond Dam and 2km off the main Panbult Amsterdam road. It falls within the Iswepe Mondi management area and is just one of about 56 villages located on Mondi land.

Figure 1 below is illustrative of the Jabulani village location



Some 35 households reside in the main settlement (called Jabulani) whilst the following small settlements are located within 2km of this main settlement.

- The Bends – 7 households
- Shonalanga- 11 households
- Spablek – 21 households
- New Compound – 57 households

The socio economic conditions in Jabulani and surrounding settlements are typical of low income residential settlements on the privately and company held forestry lands in the Mkhondo municipal area. The results of a socio economic survey undertaken in the area in 2007 are attached as Annexure 1.

The settled land holdings are owned by Mondi Ltd who is in the process of entering into a partnership with government the Mkhondo Municipality in order to address the developmental needs of residents in the Jabulani complex and thereafter extend the initiative across all its holdings in the Mkhondo region. The land in question is not the subject of a claim under the Restitution of land Rights Act.

The intention of the Jabulani Agrivillage pilot project is to pioneer and test a development approach which can be replicated as a land reform and rural development model across the full extent of the Mkhondo region – (In Mkhondo two thirds of the land remains in private and company ownership and half of Mkhondo's population live in settlements located within these commercial farm/forestry areas).

Jabulani was selected as a suitable location for a pilot agrivillage through the application of locational suitability checklist tool which was jointly developed by officials of DARDLA, RD&LR, the Mkhondo Municipality and Mondi. This tool is attached as Annexure 2.

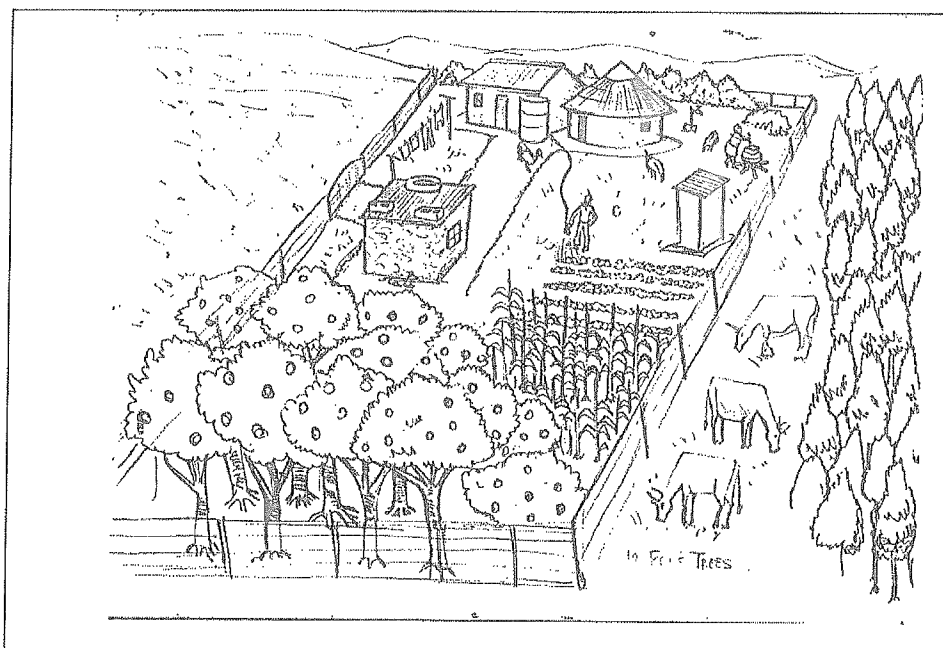
Officials of DARD&LA, RD&LR, Mkhondo Municipality, Social Development, Education, Health and Human Settlements have visited the site and indicated their support for the selection of the site as a pilot site.

The local community are very enthusiastic about participating in a development programme targeting the improvement of their capacities and living conditions. The community undertook a 2 day Participative Rural Appraisal planning exercise over the 24 and 25<sup>th</sup> of September 2009. This exercise established the basis of their development vision and priorities. The PRA Plan that the community has compiled is attached as annexure 3.

## 1. Components of the development intervention

The Jabulani development intervention is comprised of 5 simultaneous development processes:

- **Residential ownership, services and shelter** - creating individual ownership of a serviced residential homestead which simultaneously provides access to potable water, energy, sanitation , storm water protection and vehicular access. The construction of stable and permanent houses on the homestead plots in question.
- **Household food security**- ensuring that the residential homesteads are capable of supporting the production of fruit, vegetables, crops and small livestock sufficient to support the household in question and perhaps generate a small surplus- Capacitating the agrivillage households to fully use the potential of the homestead site to generate food security.



- **Enhanced social service access** – Improved access to Education, Health, Social Support and Grants, Municipal Services and Posts and Communications.
- **Incomes** – The enhancement of the incomes of Agrivillage residents through a set of 5 income enhancement programmes.
  - Livestock farming- Jabulani cattle owners are already participating in a livestock enhancement and commercialisation programme. This programme offers the potential to generate real improvements in the annual incomes of local stock owners.
  - Community forestry land and crop farming participation- securing sustainable incomes through the ownership of forestry land to be leased to Mondi in and around the agrivillage.
  - Community owned tourism assets- Community ownership of the tourism incomes which can be generated from the waterfront onto the Morgenstond dam.
  - Enhanced wage incomes through increasing the skills levels and capacities of agrivillage residents.
  - Micro enterprise development- Jabulani residents have already identified an array of micro enterprise opportunities in their PRA exercise (see annexure 2) – Agrivillage residents wishing to pursue these opportunities are to be provided with support and guidance by government and Mondi .
- **Social development-** The strengthening of existing organisations within the community, whilst expanding the range of organisations serving the needs of the community (with a special focus on the youth and orphans and vulnerable children).

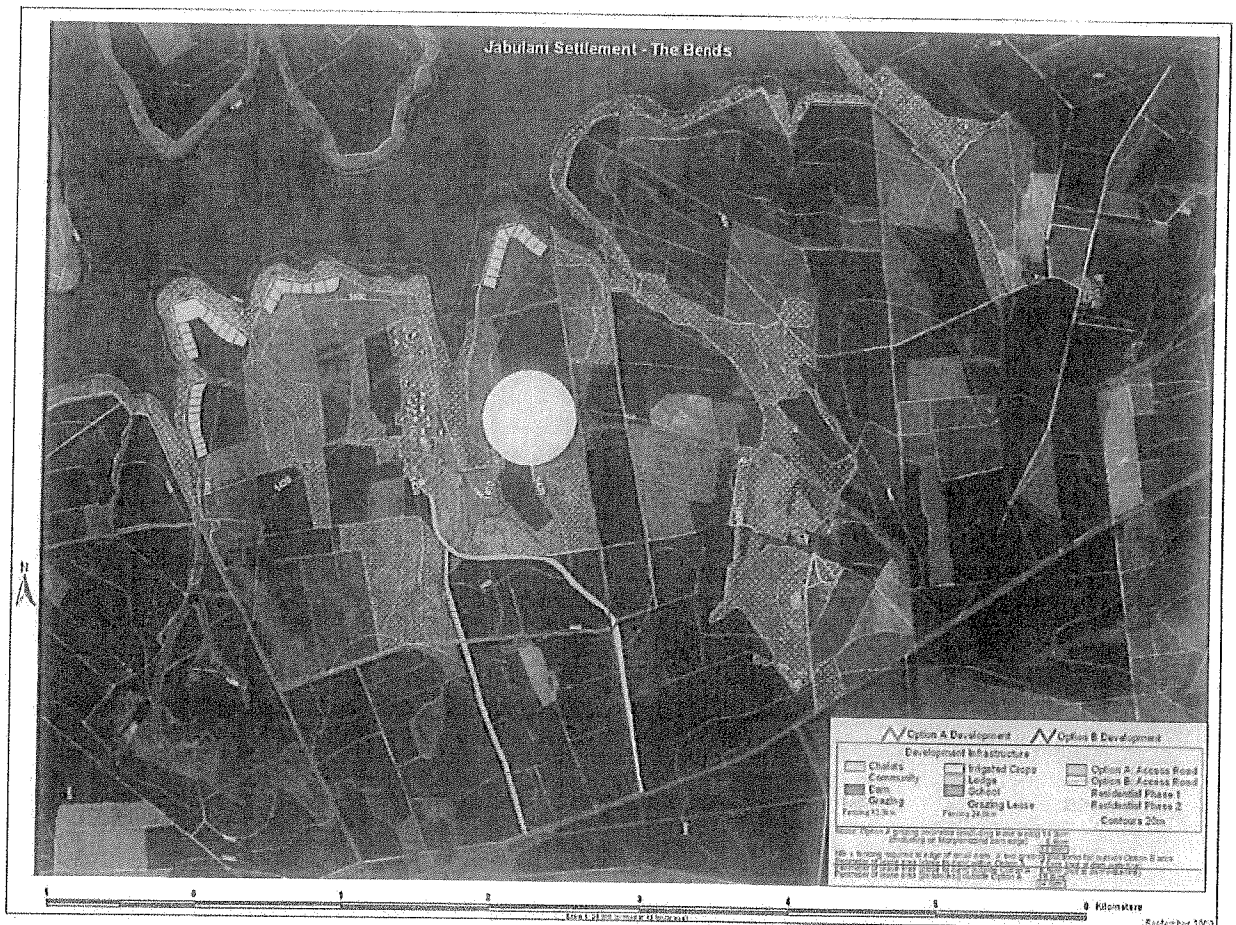
### 3. The Jabulani Agrivillage Development Plan

Preliminary planning of the Jabulani Agrivillage has already been undertaken- Whilst some of this planning may need to be modified once the results of detailed soils, geotechnical and hydrological studies are received – the basic configuration to the development will remain essentially the same.

The plan has been configured to be able to work in two stages:

- Stage 1 – To be confined within the footprint of the land area that Mondi is able to make available for the Jabulani Agrivillage.
- Stage 2: To be added to the development when (and if) surrounding owners are willing to make supplementary land available to the agrivillage.

Figure 2 provides an overall site utilisation plan whilst Figure 3 provides the indicative layout of the residential settlement sub component thereof.





## Description of the components of Stage1 of the Jabulani agrivillage development

### 3.1 Residential area-

The residential area will be located in and around the existing Jabulani Settlement area. Existing homestead plots will be retained and the larger of these plots be used as the size template for the new homestead plots to be developed-.This generates an average homestead plot of 2500m<sup>2</sup>.

110 homestead plots will be developed, to accommodate existing Jabulani occupants and households from surrounding villages who wish to move into Jabulani.

39 of the 110 sites will be created around existing homesteads whilst the balance will be generated between and adjacent to these areas.

Within the residential area provision will be made for movement and infrastructure requirements and a community services centre capable of accommodating the following:

- School and creche/community learning facility
- Mini multi purpose centre
- Soccer and netball fields
- Worship/community site

Provision has also been made for a retail facility and two sites to accommodate production related activities.

### 3.2 Waterfront tourism development

Many commentators on the site have noted the potential of the areas fronting onto the Morgenstond Dam as a waterfront resort development. Whilst more detailed feasibility studies still need to be executed it currently appears that this frontage holds considerable potential to generate a revenue stream and source of employment of agrivillage residents. Accordingly the current layout makes provision for the use of 7ha of the dam waterfront for resort development purposes.

### 3.3 Forestry, grazing and crop lands

The site development plan makes provision for a range of agri forestry incomes to be generated from the forestry holdings within the site and the utilisation of the forestry grasslands for grazing purposes. The potential to generate an irrigated cropping area using 30 ha of existing forestry land can only be realised if adjacent privately owned land is acquired from the neighbouring farmer

### 3.4 Potential leased adjacent grazing areas.

The forestry and waterfront areas adjacent to the Jabulani agrivillage contain under utilised grasslands suited for grazing purposes. It is envisaged that the agrivillage stock farming enterprise will be able to negotiate access to the lands as part of the development programme.

Table 1 hereunder provides the land yields:

Stage 1 Yields- Mondi supplied land only	TOTAL (ha)	Per resident household (ha)
<b>RESIDENTIAL AREA</b>	<b>37.3</b>	<b>0.4</b>
Homestead plots (110)	27.5	
Access routes	3.3	
Social facilities	6.5	
<b>TOURISM AREA</b>	<b>7.0</b>	<b>0.1</b>
<b>FORESTRY LANDS</b>	<b>569.6</b>	<b>5.2</b>
Grasslands	167.2	1.5
Forestry	402.4	3.7
<b>POSSIBLE LEASED GRASSLANDS</b>	<b>244.0</b>	<b>2.2</b>
<b>TOTAL</b>	<b>857,9</b>	<b>7,8</b>

#### 4. Project Implementation roles and responsibilities

The comprehensive nature of the pilot Agrivillage development requires that a range of agencies will need to work together .In this section we outline schematically the parties we envisage playing a role in the development and the general areas where their involvement will be required. The inputs of these parties have been divided into two phases, as follows:

- Immediate phase- Up to March 2010 including the 3 weeks leading up to the official launch of the project on the 30<sup>th</sup> October 2009.
- Project implementation – April 2010 to project completion in March 2012

The detailed task descriptions associated with these proposed allocations are contained in Annexure 4

#### 4.2 Potential Organisational responsibilities for the Project Implementation Phase:

##### 4.2.1 Mondi

- i. Compile the overall site plan and subdivisional diagrammes and procure necessary authorisations to subdivide the property
- ii. Donate the land portions to be used for residential homesteads, community and infrastructural purposes.(37.3 ha)
- iii. Make available for government purchase the portions to be used for leased forestry, grazing and waterfront resort development (569.6ha)
- iv. Lease the forestry portions from the Jabulani community and provide lease and stumpage fees to the beneficiary community legal entity, post land transfer.

- v. Make available, for reinvestment in the MMDP, the income received from the sale of the land portions dedicated to leased forestry, grazing and waterfront resort development
- vi. Provide top up funding for the residential component of the development up to R5 000 per household
- vii. Provide part programme and project management resources required to ensure the coordinated implementation of the agrivillage development.
- viii. Provide part supplementary technical support in respect of institutional capacity building, organisational development, business plan, enterprise establishment and management and waterfront tourist development.
- ix. Together with Mkhondo Municipality, assist households from surrounding settlements on Mondi land to exercise effective choice, and for those wishing to establish in Jabulani to relocate, re-establish and integrate successfully.
- x. Identify other potential private sector partners to play a role in the project.

#### 4.2.2 DARDLA

- i. Ensure the execution of the requisite soil, veld, hydrological and allied studies necessary for the agrivillage development.
- ii. Manage the programmes necessary to establish on site food gardens.
- iii. Manage the programmes associated with the development of incomes from livestock and crop farming operations.
- iv. Support the process of securing the requisite environmental, subdivisional and township designation approvals.

#### 4.2.3 Human Settlements

- i. Provide the technical support and housing subsidy funding needed to establish the housing component of the agrivillage, and construct permanent dwellings to BNG standards.
- ii. In conjunction with Mondi and the MLM oversee the process of identifying and appointing the Housing Project Implementation agent.
- iii. Provide top up servicing funding to support the provision of infrastructure services to the individual plots in the amount of R25 000 per plot.
- iv. Provide relocation funds and support to households wishing to relocate into Jabulani.

#### 4.2.4 Mkhondo Local Municipality

- i. Ensure alignment of the agrivillage with the SDF and IDP.
- ii. Oversee the design and standards of engineering infrastructure to ensure takeover and subsequent management/maintenance.
- iii. Contribute requisite funding to the installation of the internal roads and access system.
- iv. Manage the design and development of the community centre and its component elements, including mini multi purpose centre, sports fields and allied ablutions.
- v. Provide part programme and project management resources required to ensure the coordinated implementation of the agrivillage development.
- vi. Provide part supplementary technical support in respect of institutional capacity building, organisational development, business plan, enterprise establishment and management and waterfront tourist development.
- vii. Together with Mondi, assist households from surrounding settlements on Mondi land to exercise effective choice, and for those wishing to establish in Jabulani to relocate, re-establish and integrate successfully.



- viii. Make available a site for a block-making enterprise benefiting the Comprehensive Rural Development Programme

#### 4.2.5 Gert Sibande District Municipality

- i. Supply the bulk potable water system, on site sanitation and facilitate access to electricity.

#### 4.2.6 DPWRT

- i. Design and construct access road improvement to black top finish 2.5 Km
- ii. Establish maintenance plan and system (investigate local participation).
- iii. Provide signage on Main road and access road.
- iv. Provide public transport shelters on main road.

#### 4.2.7 MRTT

- i. Identify skills demand patterns and opportunities in the regional economy.
- ii. Audit capacities in the current and future resident populace and formulate strategy to assist residents to capture skills in the initial development process and to access improved employment opportunities in the regional economy.
- iii. Execute skills development programmes

#### 4.2.8 RD&LA

- i. Approach surrounding owners to establish willingness to sell
- ii. Execute land valuations and values. Compile sales agreements, land availability agreements etc.
- iii. Secure budget approvals for funds required and implement land purchases and transfers.
- iv. Assist community to establish and capacitate the structures needed to acquire and manage land ownership

#### 4.2.9 SOCIAL DEVELOPMENT

- i. Support the formation of community organisation in elderly, disabled, children, parents of young children, youth groups with a particular focus on OVC's.
- ii. Institution building- formation of different user groups, constitution , business plans
- iii. Support funding mobilisation in support of these groups

# Annexure L

# *Jabulani Agrivillage Project*

## *Tourism Scoping Study*

27 November 2009

Prepared by DB Consulting  
PO Box 70705  
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South Africa

# Jabulani Agrivillage Project

## *Tourism Scoping Study*

27 November 2009

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### 1. *Introduction and background*<sup>1</sup>

Jabulani is located on the banks of the Morgenstond Dam and 2km off the main Panbult Amsterdam road. It falls within the Iswepe Mondi management area and is one of about 56 villages located on Mondi land.

The socio economic conditions in Jabulani and surrounding settlements are typical of low income residential settlements on the privately and company held forestry lands in the Mkhondo municipal area.

The settled land holdings are owned by Mondi Ltd who is in the process of entering into a partnership with government the Mkhondo Municipality in order to address the developmental needs of residents in the Jabulani complex and thereafter extend the initiative across all its holdings in the Mkhondo region. The land in question is not the subject of a claim under the Restitution of land Rights Act.

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<sup>1</sup> The background information is derived from the "Project Outline Document for Jabulani Pilot Agrivillage" dated 16 October 2009

The intention of the Jabulani Agrivillage pilot project is to pioneer and test a development approach which can be replicated as a land reform and rural development model across the full extent of the Mkhondo region – (In Mkhondo two thirds of the land remains in private and company ownership and half of Mkhondo's population live in settlements located within these commercial farm/forestry areas).

Officials of DARD&LA, RD&LR, Mkhondo Municipality, Social Development, Education, Health and Human Settlements have visited the site and indicated their support for the selection of the site as a pilot site. (NOTE: It is not clear as to whether or not discussions have been entered into with the Department of Water Affairs and Forestry [DWAF] regarding the use of and access to the impoundment area – which is controlled by DWAF. This issue is discussed further in section 5)

The local community are very enthusiastic about participating in a development programme targeting the improvement of their capacities and living conditions.

The Jabulani development intervention is comprised of 5 simultaneous development processes:

- **Residential ownership, services and shelter** - creating individual ownership of a serviced residential homestead which simultaneously provides access to potable water, energy, sanitation, storm water protection and vehicular access. The construction of stable and permanent houses on the homestead plots in question.
- **Household food security**- ensuring that the residential homesteads are capable of supporting the production of fruit, vegetables, crops and small livestock sufficient to support the household in question and perhaps generate a small surplus- Capacitating the agrivillage households to fully use the potential of the homestead site to generate food security.
- **Enhanced social service access** – Improved access to Education, Health, Social Support and Grants, Municipal Services and Posts and Communications.
- **Incomes** – The enhancement of the incomes of Agrivillage residents through a set of 5 income enhancement programmes.

- Livestock farming- Jabulani cattle owners are already participating in a livestock enhancement and commercialisation programme. This programme offers the potential to generate real improvements in the annual incomes of local stock owners.
- Community forestry land and crop farming participation- securing sustainable incomes through the ownership of forestry land to be leased to Mondi in and around the agrivillage.
- Community owned tourism assets- Community ownership of the tourism incomes which can be generated from the waterfront onto the Morgenstond dam.
- Enhanced wage incomes through increasing the skills levels and capacities of agrivillage residents.
- Micro enterprise development- Jabulani residents have already identified an array of micro enterprise opportunities in their PRA exercise (see annexure 2) – Agrivillage residents wishing to pursue these opportunities are to be provided with support and guidance by government and Mondi.
- **Social development-** The strengthening of existing organisations within the community, whilst expanding the range of organisations serving the needs of the community (with a special focus on the youth and orphans and vulnerable children).

The terms of reference for the tourism scoping study:

The key issues to be addressed in the pre-feasibility study were as follows:

- Confirm the existing or likely future demand for a tourism/leisure residential product along the Jabulani waterfront? If so:
- What type of products (and market segment) may have potential on the Jabulani Waterfront?
- Following from these two issues above, what basic tourism/ leisure residential elements should be included in the township application and EIA submission?
- Should there be potential demand for tourism leisure residential products - what process is proposed for the mobilisation and selection of development partners and what sort of budget provision should we make for this process?
- What staging and sequencing strategy is recommended for the tourism/leisure residential component of the Jabulani project.

- What further investigation will be necessary to firm up on the feasibility of the tourism/leisure residential component(s)?

In response to the above terms of reference, this report is structured as follows: *Section two* identifies the key tourism strengths and weaknesses of the Jabulani Agrivillage site. *Section three* assesses the short-term opportunities for tourism development and includes the key elements of a tourism development strategy for the Jabulani Agrivillage site. *Section four* highlights a number of strategic issues/interventions that are required to support the tourism development process. *Section five* list the key actions (for the tourism development component) and implementation sequence.

## **2. Review of the Jabulani Agrivillage's tourism strengths and weaknesses**

The following strengths and weaknesses of the proposed tourism venture have been identified. The observations and assessment were made following, an initial briefing by the Project Manager (C Forster); a site visit by the tourism consultant together with the project manager; subsequently various discussions with members of the tourism industry who are active in the sub-region; and the consultant's own experiences.

### **2.1.1 Strengths**

- 2.1.1.1 Location relative to Gauteng: The project area is located within four hours from Gauteng. This time framework makes the location reasonably easily accessible to residents of Gauteng, though places such as Dullstroom, Belfast, Machadadorp are significantly closer (at within 3 hours) and have well developed and diversified tourism products thus making them potentially more appealing to weekend visitors.
- 2.1.1.2 Location relative to major urban centers in Mpumalanga: The project site is well located in context of the Highveld Heritage Route, and is also quite easily accessible relative to 'local tourists' (see section 2.1.1.2 below) from neighbouring urban areas (such as Ermelo, Piet Retief, Witbank, Nelspruit) , who visit the area over weekend and long-weekends. If the facilities are initially to be primarily of a camping nature, the site is unlikely to be a preferred destination for the business tourists (see section 2.1.1.6) and 'cross-over' tourists who would generally prefer a higher level of service.
- 2.1.1.3 Size of the site: The project site is sufficiently large to avoid the incidence of

conflicting land uses. It would be important to put in place buffer zones between the agrivillage settlement and the tourism accommodation component so as to avoid light and sound pollution and to provide a greater degree of privacy. It is possible that portions of the site are environmentally very sensitive to human settlement, and that as a result developments would be precluded from certain areas – such as the development of accommodation and/or settlements on the immediate borders of the Morgenstond Dam or the stream inflow areas to the dam. This issue would typically be addressed in the Environmental Impact Assessment that is till to be implemented.

2.1.1.4 Scenic quality of the site: The project area is scenically attractive for a nature based tourism development largely as a result of its location immediately adjacent to the Morgenstond Dam. The floral habitat around the dam has been very substantially changed as a result of current industrial forestry activities and as such it does not look like a 'near pristine' natural environment, but this is unlikely to detract significantly from a budget to mid-market resort or camping type development.

2.1.1.5 Diversity of tourism and recreation related activities: The project area also offers potential tourists and/or tourism developers/investors and their clients the opportunity to engage in a number of different tourism related activities and experiences. These include:

- Swimming in the dam (water quality to be confirmed?)
- Boating (including sailing, canoeing, motor boating)
- Forest walks in the various adjacent industrial forests.
- Guided horse trails into the adjacent forests, grasslands and wetlands.
- Fishing (this aspect was specifically highlighted as being important by the RTO)
- Neighbouring farm has introduced game – so a certain amount of game could be introduced to the site if required. The stocking rates and species mix would best be determined by a qualified wildlife ecologist.

2.1.1.6 Supply and demand trends: From discussions with the Chairman of the Regional Tourism Organisation (RTO) it is clear that most of the tourists moving through the Ermelo Piet Retief area are involved in business tourism (between 60-70%). The bulk of the remaining tourists are either 'locals' (from



within about 200km radius who visit the area staying in lodges, guesthouses, B&B etc.<sup>2</sup>) and 'cross-over' overnight visitors who pass through the area whilst traveling to Gauteng, Swaziland, Kruger National park, KwaZulu Natal, Free State and the Drakensburg. In terms of tours and touring, the area is seeing an increasing number of bus tours (2-3 days for groups of 30-50 people); mini tours (7-15 people over weekend and long-weekends), day tours, as well as specialist birding groups (in response to the unique grassland and wetland environment). Other key attractions in the broader sub region include a variety of heritage experiences, the generally outstanding scenic beauty, and related activities (hiking, fishing, game drives etc).

2.1.1.7 Availability of raw drinking/cleaning water: It seems reasonable to assume that water quality or quantity is not a significant problem as a result of the location relative to Morgenstond Dam. However, as part of the preparation of the site for subsequent further investor mobilisation it would be important to get a professional assessment of the water quality of the water for bathing and for drinking.

## 2.1.2 *General weaknesses*

2.1.2.1 The most important weaknesses associated with the site can be related to the fact that presently it is an unknown destination. As such, the site can expect strong competition from more established and diversified tourism nodes (e.g. Dullstroom, Lydenberg, Witbank, Middelburg, Badplaas etc.) with better established infrastructure and facilities and well developed marketing strategies. The site has poor all weather access, but it is understood that the upgrading of the road will be attended to during the implementation of the agrivillage. These weaknesses can be addressed over time, and as is noted below it will be important in the first few years of the project to develop strategies to market the project/destination and to confirm whether or not it has the potential to develop into a more substantial accommodation/activity node, and then to embark on a process of mobilising the necessary funding and investment to develop the project site.

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<sup>2</sup> According to the Chairman (Mr. Athol Stark) of the RTO Ermelo has about 80 guesthouses that operate at occupancy levels of between 70-77%.

### 3. *Short-term opportunities for tourism developments*

- 3.1 Within context of the strengths and weaknesses defined above, a cautious approach is proposed so as not to raise the 'expectations' of the local community unrealistically, and not to waste investment resources on a possibly less than optimal site.
- 3.2 The key advantages of the site seem to be related to price, fishing, water body, camping, scenery – though these advantages are very much of a 'local' nature. Whether or not these advantages are sufficient to serve as a basis for mobilising substantial numbers of tourists to the site is unclear. Similarly, it is unclear as to whether these advantages are sufficiently good to attract any substantial investment from the private sector. One could embark on a substantial process of market research and analysis, followed by a process of investor mobilisation to 'test' the attractiveness of the site. However, it is the view of the consultant that the above processes are time consuming and expensive, and as such it may be more practical and cost effective to simply implement a phased process to implementation within context of (assumed to be) limited budgets for research, investor mobilisation, and/or design and construction of infrastructure and facilities. As such, the following phasing is proposed:
- 3.3 Proposed tourism development strategy: Phase 1
- Initial emphasis would be on developing a very low-level of tourism facilities and activities that are both useful to tourists as well as members of the agrivillage.
    - Market: The facilities/activities would be oriented towards the budget end of the market
    - Activities: The key activities associated with the tourism product would be based on fishing, camping, boating, swimming, and hiking potentials.
    - Facilities: The type of facilities would be camping based with very limited core facilities for overnight visitors (water points, access road, camp site, refuse disposal point, boat launch site [slipway], boat storage site, and communal bathrooms/toilets) and some day visitor oriented facilities (including communal toilets, dish washing facilities and core braai facilities).
  - From a CAPEX funding perspective, it is proposed that it would be best to try and fund this via government grants such as the Right to Work Programme

and/or the Social responsibility Programme etc. It is important to note that in the event that the tourism activities fail to take-off, these facilities would also be useful to the residents of the agrivillage.

- From a marketing point of view it is essential that the project Steering Committee establish very close links with the Grass and Wetland RTO in order to get assistance with the marketing of the facility. In the event that some form of budgetary assistance can be made available to support the marketing of the project, it is again strongly recommended that linkages be formed with the RTO to assist in the development of related marketing materials. (NOTE: Related 'in principle' discussions were held with the RTO Chairman.)
- From an institutional point of view a simple but transparent system of collecting, accounting for, and distributing day visitor and camping fees needs to be developed and agreed to by the agrivillage community.

#### 3.4 Proposed tourism development strategy: Phase 2

- If after a period of 1-2 years it is evident that the site is an increasingly popular destination for tourists, and if it is clear that there is a demand for more formal overnight accommodation (such as would be provided in a resort), consideration could then be given to proceeding with the design and development of more expensive infrastructure and facilities.
- If it is confirmed that there is considerable demand, then a process could/should be implemented to mobilise the necessary capital and expertise typically associated with a more formal and commercially based resort development.
- From a strategy point of view, it is proposed that if a primary objective of the development is to generate sustainable long term revenue streams for the members of the agrivillage, then it is not advisable to sell-off (freehold title) portions of the land to the general public since a greater number of revenue streams can be generated via leasehold tenure. Similarly if the agrivillage development is at least partly intended to reinforce land reform and land redistribution efforts, it would be best for the community land-owner (be it a Community Development Trust or a CPA) to retain the 'title' rather than alienating portions of their land, and rather to allocated land-use rights on the

basis of medium and long-term leases.

- From an implementation point of view experience has shown that inexperienced rural communities with high levels of poverty experience tremendous difficulties in establishing viable, sustainable and competitive tourism enterprises. It is for this reason that the use of community/private partnerships (CPPs) is strongly proposed. Within context of a community who own a portion of land on a 'freehold' basis and who intend to mobilise strategic partners (as part of a CPP) on a leasehold basis, there are two likely approaches in selecting and contracting with a proposed strategic partner. The first would be based on a process of negotiation with an identified strategic partner. The second would be based on a competitive bidding process. It is too early to decide now as to which approach should be followed. However, as a general guideline, in a situation where there is considerable interest from a number of potential private sector investors/operators to partner with the community, the best way to select a partner and ensure that the terms of the deal are competitive, would be to follow the 'competitive bidding' process. Where only a single investor partner has expressed interest, the negotiated process can be better since it is more time and cost effective. In either instance, in implementing such a process, it is essential that the community have properly experienced tourism and legal expertise to ensure that the terms of the deal are fair and market related, and that the contracts will stand-up to any legal challenge by either party for the duration of the lease.

#### 3.4 Typical investor mobilisation process: Competitive bidding process proposal

*NOTE: This process assumes that a competitive bidding process will be followed. If however communities have chosen a strategic partner already, then the steps/activities marked with an \* can be bypassed.*

##### Step 1: Initial project conceptualization and request by community for assistance with implementation

- Initial meeting with representatives of community group to be briefed about the proposed investment opportunity/project.

Step 2: Pre-feasibility

- Site visit by tourism specialist. Confirm inherent development potential,
  - Locational advantages
  - Natural resource potential

Step 3: Inception Phase (assuming favourable answer to pre-feasibility)

- Introduction of tourism consultant to the CPA/Trust
- Confirm community objectives
- Broadly discuss proposed approach to investor mobilisation and CPP structuring
- Confirm work completed and rights currently secured
- Introduce concept of 'bid evaluation committee'<sup>3</sup> and criteria for selection\*
- Follow up meetings with local, district and provincial government as required to confirm support for the proposed project.

Step 4: Design of Investor mobilisation process

- Workshop and design of appropriate investor mobilisation process by suitable qualified and experienced Tourism Transaction Advisor.
  - Competitive bidding route
  - Negotiated bid route (with confirmed strategic partner)

Step 5: Design of proposed Community Private Partnership

- Project objectives in detail
- Proposed rights and obligations
- Desired benefit flows
- Agree on time framework for investor mobilisation process\*
- Criteria for selecting private party\*
- Establishment of bid evaluation committee including roles and responsibilities

Step 6: Call for Expressions of Interest

This step would normally be conducted for larger projects where there is likely to be substantial competition, or in instances where there is a high level of uncertainty by the project promoters as to whether there is likely to be any investor interest. It is suggested

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<sup>3</sup> A committee of persons from with the community, as well as trusted advisors who will help in assessing and evaluating the different proposals.

that this step can be excluded for smaller investment opportunities and/or in those instances where there is very little risk of 'minimal investor interest', – and proceed directly to Step 7

- Design of Prospectus (information document that can be given to potential investors/partners)
- 'Testing the Waters' (An informal process of interactions with potential investors intended to identify potential investors and gauge investor interest)
- Advertise in provincial/national newspapers
- Evaluation of EOIs
- Selection of 'short list' of potential bidders to be requested to respond to Request for Proposals (RFP).
- Confirm time framework for RFP
- Agree on bidder selection criteria for RFP
- Notification of short listed bidders

Step 7 Request For Proposals (Formal request from the community to investors to make them partnership-based proposals.)

- Preparation of detailed RFP documentation.
- Issue RFPs to identified 'short listed' bidders
- Site visits with selected interested investors.
- Log submitted RFPs
- Evaluations of RFPs<sup>4</sup>
- Notification to bidders of results of evaluation

Step 8: Negotiation Phase:<sup>5</sup>

- Agree with Preferred bidder on partnership structure and terms and conditions.
- Negotiate specific aspects/details of the CPP as required

Step 9: Preparation of legal documentation

- To be undertaken by legal specialist appointed to assist the Claimant community.

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<sup>4</sup> To be undertaken by a Bid Evaluation Committee with technical support from Tourism Transaction Advisors (including legal support)

<sup>5</sup> To be undertaken by a Bid Evaluation Committee with technical support from a Tourism Specialist

- Legal Specialist to be assisted by the Bid Evaluation Committee with technical support from Tourism Transaction Advisor(s)

### 3.5 Typical selection criteria for strategic partners

- Financial capacity: The private partner must be able to demonstrate their ability to mobilise all capital requirements for the development and operation of the relevant facilities. In the event that the private partner is not able to self-finance they must be able to demonstrate conclusively that finance has been secured. Similarly the private partner should be able to demonstrate that they have secured (at own risk) the necessary financial resources to fund working capital requirements.
- Ability to construct/maintain the proposed facilities: One of the key attractions of many (but not all) of the portions of land controlled by rural communities is the 'wildness' and remoteness of the sites. However these strengths can also at times pose severe operating risks for investors. Bearing in mind the relative isolation (or not) of the project site, bidders' experience of constructing/maintaining similar facilities in similarly remote locations should be assessed, and could be advantageous.
- Track record in marketing similar tourism facilities: The private partner must be able to demonstrate that they have a proven track record of marketing related types (to what is proposed) of tourism products facilities. The private partner must be able to demonstrate their market credibility and existing client base that can potentially be directed towards the proposed tourism product/destination.
- Existence of an effective reservation system: Market intelligence has confirmed that tourists are concerned about the reliability of bookings in new destinations that are difficult and/or time consuming to reach. Bidders must be able to demonstrate their track record in this regard.
- Experience and track record in operating similar establishments: The financial risks associated with inexperienced developers/operators are very high, especially for previously marginalised communities. The private partner must be able to describe and demonstrate the nature and extent of their experience in operating similar facilities in similar destinations. Related to this:
  - Logistical capacity: In addition to physical remoteness, the diversity of the terrain, the potential to easily and informally engage in (potentially

dangerous) adventure tourism activities, and the relative difficulty for mass tourists to access an area, are also seen as key attractions by certain tourists and investors. Again however there are associated risks with operating in such an environment and potential private partners need to be able to demonstrate their track record in terms of supplying facilities, facilitating tourist transfers where applicable, and facilitating tourist evacuations in times of injury or sickness.

- Policy and strategy in terms of local community upliftment: Key issues include procurement of local labour; training and capacity building employees; and support for SME development, and the procurement of goods and services.

### 3.6 Indicative cost implications for the investor mobilisation process

It is difficult to predict with a great deal of accuracy what the costs for such an investor mobilisation process will be. A conservative estimate (assuming for instance that the process will not be made more complex and drawn out via compliance with a Treasury based [PPP Toolkit process]) would be around R250,000-00.

## 4. Strategic issues requiring specific attention

- Issue: An environmental management framework needs to be finalised: It is understood that this matter is being pursued by the project manager.
- Issue: A Spatial Planning Framework needs to be finalised: It is understood that this is being pursued by the Project Manager. In terms of the tourism component it is proposed that as part of the town planning process of applying for the site zoning and township establishment, that provision be made for a varied set of tourism activities in selected areas. In this regard the following:
  - Keep a clear buffer between agrivillage and tourism areas.
  - Set aside a strip about 80m wide from the DWAF impoundment line. Remember to ensure that the agrivillage and general public still have zones where they can access the water body, braai etc. etc. It is important to avoid a situation where the residents of the agrivillage become isolated from the water body – this could cause resentment against tourists.
  - A set of overlapping tourism land-use rights would be ideal for the current situation:



- Secure rights for general tourism activities as defined (i.e. camping, boat launch sites, boat storage, picnic);
  - Secure rights for the formal accommodation component. This would include rights for leisure residential (at density of 1 per 4000m<sup>2</sup>). Although these rights are unlikely to be used in the short-term, they could be useful at a later date once (when and if) the destination becomes more established. It is proposed that there is no need to put in place all the sub-divisions for the tourism sites as yet.
  - Secure rights for the development of a resort with up to 100 beds of accommodation on the same or part of the total portion of land set aside for tourism development.
- Issue: A tourism development strategy for the node needs to be defined: The skeleton of such a strategy is proposed and defined above. If the agrivillage community agrees with the strategy, they need to formally agree to it.

##### 5. Recommendations and proposed implementation programme (tourism)

In pursuing the Jabulani Tourism Project, it is suggested that the following recommendations be pursued as a matter of priority.

- The development planning and environmental impact assessment processes to be finalised.
- The enabling regulatory frameworks to be finalised.
- The legal framework in terms of which the land will be owned by the agrivillage community (be it a CPA or a Community Development Trust) needs to be finalised.
- Rehabilitation of the access road: In its current state the access roads are very difficult for agrivillage members as well as the tourist public. Ideally tourists would like to be able to access a site on roads that are easily passable during the day or night, and in (nearly) all weather.

- A study needs to be commissioned to confirm/clarify the status of the identified raw water supply in terms of quantity, quality and reliability.
- An initial investigation needs to be implemented to ascertain the 'ball park' costs that would be incurred in providing bulk electrification to the site. This is not an 'essential' for the tourism development, but if possible it is an added attraction.
- Discussions need to be entered into with DWAF regarding the proposed development at Jabulani, and in particular the agreement of DWAF will be required in terms of the use of the water body, and access to the impoundment area for tourism activities. It is important to note that in the event that a decision is taken to proceed with (particularly) phase two, specific agreement will be needed on the investor mobilisation process in context of the Tourism PPP Toolkit. The latter issue will in all likelihood also require discussion and agreement with National Treasury. The regulations that govern the use of state assets (and the mobilisation of private partners thereon) are very particular.
- The public sector grant funding for the development of tourism infrastructure/facilities needs to be secured.
- Design and implementation of the Phase 1 tourism facilities. (This step is dependent on grant funding having at least been agreed to 'in principle'. Once 'in principle' agreement has been secured, it would be necessary to get the support of an engineer who could design and cost the basic elements of infrastructure that would be developed as part of Phase 1.
- Depending on the success of the Phase 1 tourism project (to be assessed after year 1-2), a transparent and quick investor mobilisation process needs to be defined for the formal investor mobilisation process. Sections 3.4 and 3.5 provide the starting framework for such a strategy. It is strongly recommended that the services of an experienced specialist tourism and legal expertise (both of whom must have experience in the structuring and contracting for tourism based community/public/private partnerships) is secured prior to designing and implementing a comprehensive investor mobilisation strategy.

# Annexure M

Packaging the MMDP  
Agrivillage part of the  
Mkhondo CRDP

30 Sept 09

000252

# Agri village option

## Starting point select locations with long term potential for:

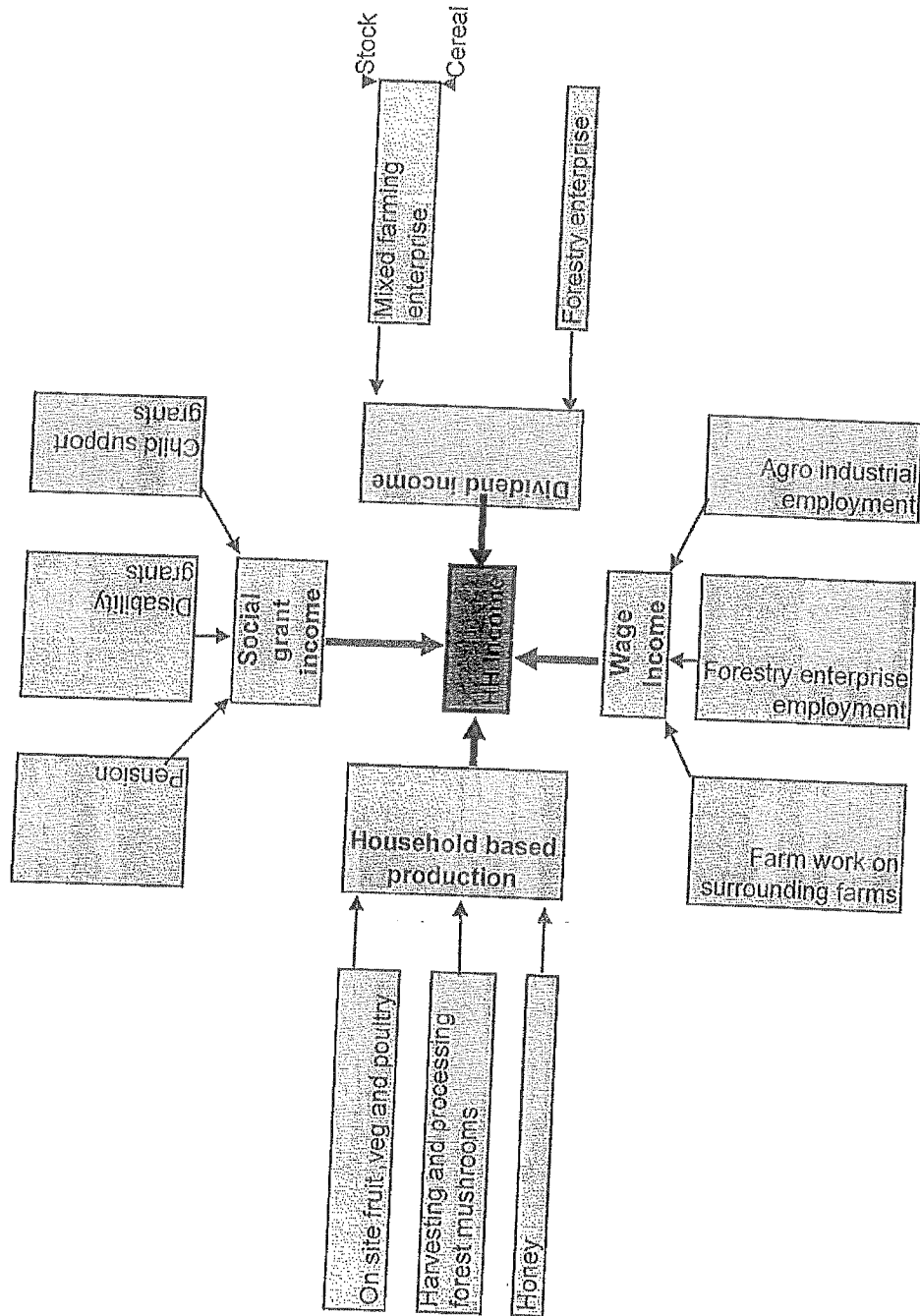
- Rural incomes and livelihoods generation
- Settlement development purposes- service provision, safety, ground conditions, communications etc
- Social service provision and access- NB Education and Health

Between 100 and 200 households per agri village

1. Individual plots capable of providing food security and platform of utility services
2. Range of agricultural incomes
3. Platform of social and economic services – grants, health, banking, trading, support etc

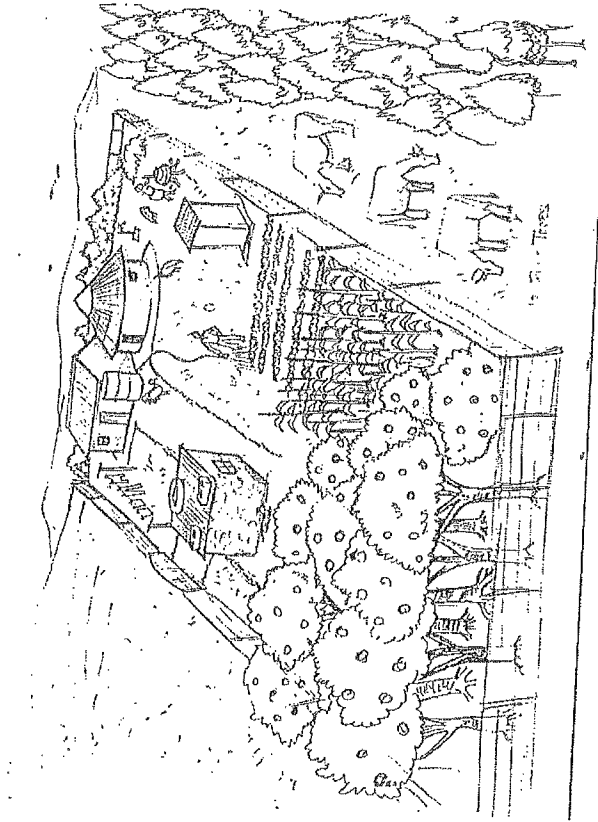
- = 8 to 10 agrivillages

# Agrivillage Incomes

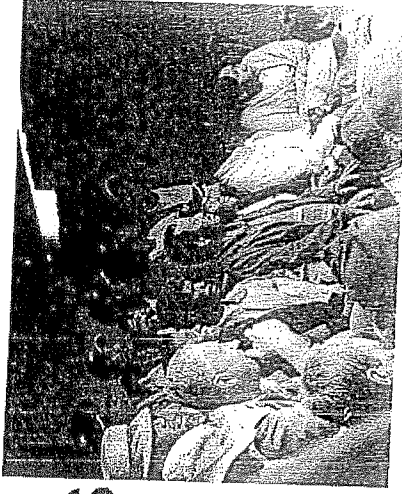


# Agri Village – Homestead Asset Package

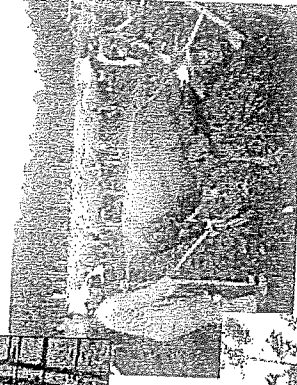
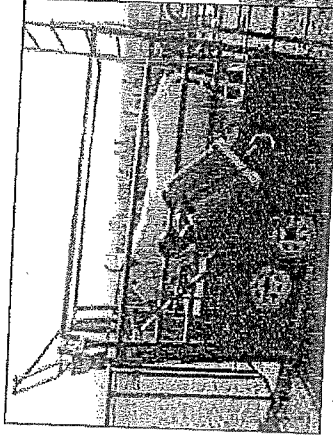
- Homestead sites – 3000m<sup>2</sup>
- Freehold ownership
- Potable water - standpipe per site if possible
- VIP toilet
- Electricity (grid/solar?)
- Food security:
- House



# Agrivillage Incomes



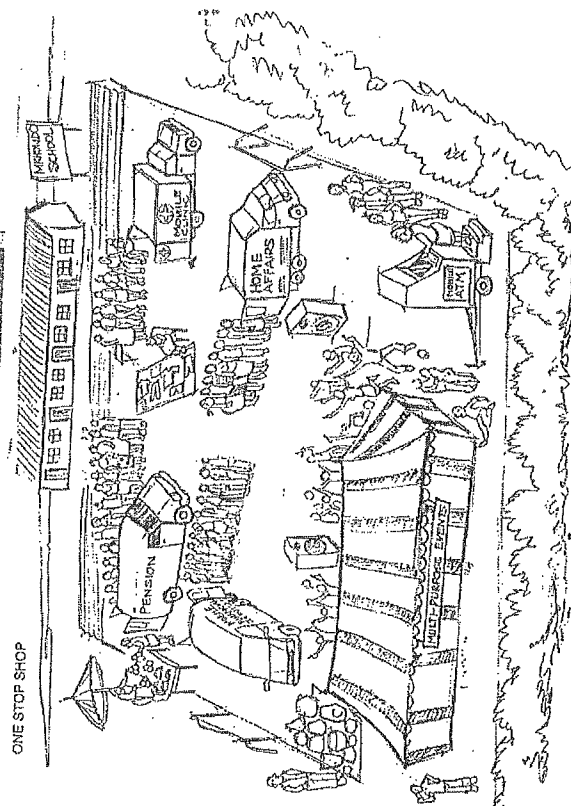
1. Cattle & Crops
2. Commercial forestry
3. Secondary sector enterprises
  - Agro-processing
  - Forestry products processing
  - Tourism
4. Wage employment in surrounding areas
5. Supplementary income streams:
  - Grants
  - Micro enterprises
    - Vegetables
    - Poultry
    - Forest products harvesting:





# Social services package

- Communications
  - Cell and TV
  - Public transport
- Education:
  - Existing facility usage as far as possible
  - Scholar transport
- Other potential services
  - Clinic
  - Grants
  - Home affairs
  - Municipal info and services
  - Banking and financial capacity building





# Concept development

Component elements of the Jabulani concept-

*NB No geotechnical study but lots of rock – no sound mapping or high resolution photography*

## 1. Residential area

- Homestead plots
  - Used current size as template = 2500m<sup>2</sup>
  - 110 plots yielded
  - Phase 1 = 39 in situ & 23 Infill sites
  - Phase 2 = 48 green field sites
- Movement and infrastructure requirements
- Social
  - School
  - Multipurpose centre
  - Soccer and netball fields
  - Retail site
  - Worship/community site

# Concept development

2. Crop lands
  - Probable crop land limitation- rock – take out of forestry – viability only if irrigated – 30 ha
3. Waterfront tourism development
  - 37 dam fronting plots- key substitute for crops
4. Grazing Leased grazing areas to address local shortage:
  - Mondri
  - Dam frontage
5. Access to main road

# Yield modelling

	TOTAL (ha)	Per resident household (ha)
<b>RESIDENTIAL AREA</b>	<b>37.3</b>	<b>0.4</b>
Homestead plots (110)	27.5	
Access routes	3.3	
Social facilities	6.5	
<b>TOURISM AREA</b>	<b>7.0</b>	<b>0.1</b>
<b>FORESTRY LANDS</b>	<b>569.6</b>	<b>5.2</b>
Grasslands	167.2	1.5
Forestry	402.4	3.7
<b>POSSIBLE LEASED GRASSLANDS</b>	<b>244.0</b>	<b>2.2</b>

**Annexure N**  
**Not available yet**

# Annexure 0

**SERVICE AGREEMENT****BETWEEN****MONDI SOUTH AFRICA LTD**

Herein represented by .....

In his capacity as **authorized representative** of the development entity, duly authorized thereto by a resolution of the development entity

(Hereinafter referred to as the **DEVELOPER**)

and

**MKHONDO LOCAL MUNICIPALITY**

Herein represented by \_\_\_\_\_ in his capacity as Administrator, duly authorized thereto by a resolution of the **MKHONDO LOCAL MUNICIPALITY**

(Hereinafter referred to as the **MUNICIPALITY**)



WHEREAS the DEVELOPER wishes to undertake the development of a development area as per agri-village settlement and tourism opportunities with related and support uses.

WHEREAS the development by the DEVELOPER is to be within the area of jurisdiction of the Mkhondo Municipality and the DEVELOPER wishes to create subdivision opportunities for full title registration purposes; and

WHEREAS:

- (a) the DEVELOPER is responsible and liable for the installation of the internal Municipal Engineering Services in respect of the subdivision to be established, and
- (b) the MUNICIPALITY is obliged to provide access to a solid waste disposal facility.

The parties to this agreement agree as follows:

**1. LOCALITY OF THE DEVELOPMENT:**

The development of a development area is encouraged on Portion 1 of the farm The Bends No 417-IT. The development is located on a farm (hereinafter referred to as the Property), south-east of Amsterdam (Mpumalanga). The property is situated within the area of jurisdiction of the Mkhondo Municipality of which the Municipality is the Local Authority in terms of relevant proclamations.

**2. PREREQUISITES:**

This agreement and the establishment of the subdivisions for the property is subject to the obtaining of consent from the Mpumalanga Provincial Government to develop the land for the uses envisaged (at least 110 residential units and supporting facilities for the agri-village and related tourism support sites).

**3. MUNICIPAL ENGINEERING SERVICES REPORT:**

All municipal engineering services are to be constructed and/or installed in terms of this Agreement shall be done as specified in the latest Municipal Engineering Services Report (**See Annexure A**) in respect of the Property, as approved by the MUNICIPALITY on recommendation of its engineers, which report has been prepared by the DEVELOPER, or through the consultants of the DEVELOPER.

**4. EXTERNAL / BULK SERVICES:**

#### **4.1 Bulk Water Supply**

4.1.1 Subject to clause 2 above, the MUNICIPALITY will not be obliged to provide the bulk water supply for the Property.

#### **4.2 Sanitation**

4.2.1 Subject to clause 2 above, the MUNICIPALITY shall not provide the bulk sewer system (if applicable) for the Property.

#### **4.3 Roads / Streets and Stormwater**

4.3.1 The MUNICIPALITY shall not provide any access roads to the Property and the DEVELOPER shall, at its own cost, connect the access network of the Property to the Provincial District Road.

#### **4.4 Solid Waste Disposal**

4.4.1 The MUNICIPALITY shall provide a solid waste disposal facility, or an agreement needs to be reached between the MUNICIPALITY for the provision of a solid waste disposal facility located in the nearest suitable town.

4.4.2 The DEVELOPER shall contribute **R0-00** to the cost of planning and/or implementation of the regional solid waste disposal facility, but the DEVELOPER shall in a suitable location provide a solid waste disposal transfer facility, for the reserved use of the development.

### **5. INTERNAL SERVICES:**

5.1 The DEVELOPER shall construct/install the following internal municipal engineering services as specified in the Municipal Engineering Services Report, at its cost:

- 5.1.1 Water supply and reticulation
- 5.1.2 Electrical reticulation
- 5.1.3 Sanitation
- 5.1.4 Roads and Stormwater Drainage
- 5.1.5 Solid waste transfer station.

### **6. SUSPENSIVE CONDITIONS:**

This Agreement is subject to the following suspensive conditions:

6.1 Clause 2 of this Agreement.

**7. RESTRICTION ON TRANSFER OF CREATED PORTIONS:**

7.1 The DEVELOPER shall obtain written confirmation from the relevant Departments of the Government, and the present owner of the land on which the subdivision of the property is to be established, that no Portion shall be transferred to beneficiaries or new owners before there has been compliance with the service provision arrangements to the satisfaction of the Mkhondo Local Municipality.

7.2 The registration of subdivisions shall not be permitted before the Municipal Engineering Services have been constructed or installed.

**8. DOMICILIUM:**

For the purpose of serving notices and/or documents in terms of and/or as result of this agreement the DEVELOPER chooses the following address as *domicilium citandi et executandi*:

The Social Programme Coordinator  
South African Division  
Mondi  
Private Bag X38  
PIET RETIEF  
2380

Attention: Mrs Corné Peters  
Telephone: (017) 824 8000  
Telefax: (017) 826 2853  
Cellular: 082 927 1251  
E-mail: corne.peters@mondigroup.co.za

And the MUNICIPALITY the following address:

The Administrator  
Mkhondo Municipality  
PO Box 23  
PIET RETIEF  
2380

Telephone: (017) 826 2211

Telefax: (017) 826 0330

## **9. NON COMPLIANCE:**

- 9.1 If any party of this agreement does not comply with the stipulations of this agreement, including with the specifications stipulated in the Municipal Engineering Services Report the other party shall without prejudice have the right to give the non complying party written notice to rectify it's non compliance within a reasonable period as from the date the notice has been received.
- 9.2 If the non complying party fails to comply with the written notice in clause 9.1, the other party shall have the right to cancel this agreement with immediate effect from the date of written notice of such notice and the party serving the notice shall have the right to claim compensation for any losses and/or damages caused by the non compliance.
- 9.3 For the purpose of this agreement the date on which a notice is served on either party to this agreement, it is deemed that such notice is received five working days from the date the notice was mailed, if it was not faxed, e-mailed or delivered by hand.

## **10. DISPUTES:**

- 10.1 If a dispute arises in terms of this agreement or as a result of this agreement between the DEVELOPER and the MUNICIPALITY, it is agreed that-
- A mutually acceptable Arbitrator will be invited to arbitrate on the matter. The decision of the arbitrator shall be binding on both parties;
  - The cost of the Arbitrator shall be shared equally between the parties.
- 10.2 If the actions in terms of clause 9.1 are unsuccessful to resolve a dispute between the DEVELOPER and the MUNICIPALITY and it is necessary that such dispute be referred to a court, the parties to this agreement agree to the jurisdiction of the Magistrate Court that may have jurisdiction, in respect of any dispute that may arise out of this Agreement irrespective of the amount in monetary value that may be in dispute.

## **11. SCOPE OF AGREEMENT:**

This Agreement is the only Agreement in respect of the Municipal Engineering Services for the development of the property and may only be amended or extended by a written addendum to this Agreement properly signed by both parties to this Agreement.

**FOR DEVELOPER:**

THUS SIGNED AND ENTERED INTO AT PIET RETIEF ON THE .... DAY OF .....  
2010

\_\_\_\_\_  
**Representative: Name:** .....  
**Capacity:** .....

\_\_\_\_\_  
**WITNESS: 1**

\_\_\_\_\_  
**WITNESS: 2**

**FOR MUNICIPALITY:**

THUS SIGNED AND ENTERED INTO AT PIET RETIEF ON THE ... DAY OF .....  
2010

\_\_\_\_\_  
**Representative: Name:** .....  
**Capacity: ADMINISTRATOR**

\_\_\_\_\_  
**WITNESS: 1**

\_\_\_\_\_  
**WITNESS: 2**

REF: k2386 Service agreement/febr'10

# Annexure P