VISION 2024

Wildlife Based Land Reform and Enterprise Development Support Programme

Stewardship Programme
February 2015
Coconut Approach
unlocking the socio-economic value of land reform and communal land

IMPROVED LAND VALUE, EQUITY and WEALTH
ENTREPRENEURSHIP, JOBS and BENEFITS
CRITICAL SKILLS DEV, MANAGEMENT CONTROL

Tragedy of the commons
Lack of skills
No access to markets
Lack of financial resources
Food security
Inequality

VISION 2024
• Concerned about the 9 billions of people living in abject poverty;

• Mainstreamed the importance of PAs in contributing to rural development, and the dual role of PAs in conservation and poverty alleviation;

• Called for the involvement of local people as right shareholders in PAs and as equitable stakeholders in decisions, management and sharing benefits from Pas;

• Called for youth participation and empowerment;

• Committed the international conservation community to an agenda for PAs that do not just upholds the rights of communities affected by conservation initiatives but ensures shareholding;
“rapid socio-economic transformation and growth of wildlife economy while ensuring the entry and ascendance of the emerging game farmers into the mainstream of the South African economy.”
• Specifically the objectives of Vision 2024 is to ensure:
  – **Empowerment** of community land owners and beneficiaries through **Fair Access** and **Equitable Sharing** of benefits arising from wildlife economy.
  – **Expansion** of conservation areas through incorporation of community unproductive land and game reserves with a view to stimulating sustainable local economic growth and conservation.
  – **Development** and **Restoration** of the degraded environment and improvement of infrastructure and land use for community benefit and advancement.
  – **Broadening and meaningful participation** of youth and women in the mainstream wildlife economy through shareholding, skill training and entrepreneurship.
7.1 Profiling land reform projects

The type of projects selected is a factor of the resources available to the projects as well as the natural resources present.

7.1.1 Nature based tourism and wildlife economy

Projects that fall in areas of high biodiversity with aesthetic and recreational value should be flagged for tourism.

...assessing the underlying infrastructure development

Hunting for projects that are identified for wildlife economy...

Communities that have claimed land in protected areas can use this land for nature based tourism.

Game farming is also an option for tourism based projects.
Wildlife Economy in SA

• SA leads global fraternity of wildlife ranching and generate an income of **R9.1 billion** a year (0.27% of GDP).
• Measured in T/O growing at average 20.3% a year
• A from 3 in 1960, 3500 in 1992 to 10 000 game farms occupying 16.8% of SA land.
• Grown from less than 2million in 1979 and covers about **21 million ha**....3 times bigger than state PAs
• 50% in Limpopo, 19% in NC, 12% EC
• **18.5 million heads** of game are in private farms and this is four times more than number in state PAs
• Employs more than **100 000** people....bigger than sugarcane and dairy
Wildlife Economy Market Segmentation

- Game sales
- Safari and photography
- Hunting
- Supply chain industries
- Eco Estate Development
- Venison
Where is the Money?

- **Live game sales:**
  - About 18 200 game animals traded in 2012 at 58 auctions generating R960 million
  - Buffalo sold for R40 million last year breaking all records

- **Hunting: (trophy and biltong)**
  - About R7.1 billion annually and vital to SA economy
  - 14000 hunters visiting the country annually (270 000 local)
  - While slain animal kept as a trophy, the carcass for food security.
  - Hunting prices vary from R350k for elephant, R140k for buffalo to R5k for bushpig

- **Game meat-venison:**
  - Western Europe consume more 100 000T per yr
  - SA exports 600-2000T per yr valued R60 to R200 million
  - NZ exports 40 000T (70 000sp) per yr valued at approximately R4 billion
  - World supply of venison is still short of 60 000T
**Game Meat and Food Security**

- Provides >20% of meat eaten in SA during the 6 hunting months.

<table>
<thead>
<tr>
<th>SA Meat production annually</th>
<th>(ZAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>R 24 billion</td>
</tr>
<tr>
<td>Imported</td>
<td>R 6 billion</td>
</tr>
<tr>
<td>Exported game meat</td>
<td>R 200 million</td>
</tr>
<tr>
<td>Potential game meat export (&gt;60 000 tons)</td>
<td>&gt;R 4 billion</td>
</tr>
</tbody>
</table>

13,5 million cattle and 18,5 million game

This is SA’s unique competitive edge
An Exclusive Estate alongside the Kruger National Park

Now selling

60% already sold

- Riverfront stands selling alongside the Sabi River
- Scenic bushveld vistas in big 5 territory
- Turnkey building packages available
- A unique property opportunity offering the ultimate private bush experience

Secure your prime site today

Sales Enquiries: Ewan Dykes 083 755 8944
Head Office Tel: 011 208 8300

environmental affairs
Department: Environmental Affairs
REPUBLIC OF SOUTH AFRICA
<table>
<thead>
<tr>
<th>TROPHY NAME</th>
<th>Trophy fee in 2014 IN $</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUFFALO</td>
<td>14,500</td>
</tr>
<tr>
<td>CROCODILE</td>
<td>7,450</td>
</tr>
<tr>
<td>ELEPHANT</td>
<td>35,000</td>
</tr>
<tr>
<td>LION</td>
<td>22,000</td>
</tr>
<tr>
<td>LIONESS</td>
<td>9,000</td>
</tr>
<tr>
<td>LEAPARD</td>
<td>15,000</td>
</tr>
<tr>
<td>HIPPOPOTANUS</td>
<td>9,400</td>
</tr>
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</table>
Plains game trophy fees

<table>
<thead>
<tr>
<th>SELECTED TROPHY NAME</th>
<th>TROPHY FEES IN $</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLACK WILDERBEEST</td>
<td>1,200</td>
</tr>
<tr>
<td>BONTEBOK</td>
<td>1,750</td>
</tr>
<tr>
<td>BUSHPIG</td>
<td>450</td>
</tr>
<tr>
<td>ELAND</td>
<td>2,650</td>
</tr>
<tr>
<td>IMPALA</td>
<td>480</td>
</tr>
<tr>
<td>KUDU</td>
<td>2,600</td>
</tr>
<tr>
<td>NYALA</td>
<td>2,900</td>
</tr>
<tr>
<td>OSTRICH</td>
<td>650</td>
</tr>
<tr>
<td>SABLE ANTELOPE</td>
<td>11,500</td>
</tr>
<tr>
<td>SPRINGBOK-BLACK</td>
<td>1,450</td>
</tr>
<tr>
<td>SPRINGBOK-COMMOM</td>
<td>480</td>
</tr>
<tr>
<td>SPRINGBOKWHITE</td>
<td>950</td>
</tr>
<tr>
<td>WARTHOG</td>
<td>350</td>
</tr>
<tr>
<td>ZEBRA-MOUNTAIN</td>
<td>2,800</td>
</tr>
</tbody>
</table>
Why game ranching as a new game changer?

- Generates R220/ha of economic output (Average R80 a ha for livestock farms)
- Employs 3 times more people
- Requires lower water, grows faster, earlier maturity and ability to put on weight in grazing conditions
- Promotes conservation and biodiversity
- Less impacted by bush encroachment and diseases thus easy to observe and control
- Not dependant on grain based feeds...lower input cost

- Formal and informal livestock auctions generate as much as R500m each year
- SANPARKs reported total revenue of R816m from tourism, retail and concessions (2013)
- New Zealand it is generates annual income of R4 billion in venison.
- Requires more labour-intensive care (3X more jobs): fences, firebreaks etc
- R5m invested in cattle over 5 years the ROI is 4.8%, for the same amount and period in sable antelope the ROI is 45.2%
Vision 2024 Key Deliverables

- **Jobs**: 60 000 beneficiaries and new sustainable jobs created in the whole wildlife economy industries
- **Expansion**: 2 million ha of communal land restored and developed for conservation and commercial game ranching
- **Equity**: R7 billion: R4 billion in game and R3 billion on fixed assets and infrastructure resulting in improved rural income, skills development, institutional capacity building, entrepreneurship and food and environmental security.
- **Conservation and Game Improvement**: 300 000 heads of wildlife under black empowered and owned ranches.

*Need investment of about R3.0 billion over the next 10 years to achieve the Vision 2024.*
The opportunities

- Most emerging ranchers and landholders already involved as livestock farmers and labourers.
- By the end of 2013, almost 76 500 land claims had been settled.
- 54 settled and 101 outstanding claims on protected areas:
  - 17 claims at KNP for about 10 000 beneficiaries (+500 000ha)
- 400 000 ha of game farms currently under land claim (some settled and transferred already)
Land ownership is not enough

- Critical skills needed for commercial and sustainable operations e.g. hospitality, guiding, game management, breeding, negotiation highly specialized
- Focused capacity building programs and not only technical skills but also new crop of managers
- Build strong partnerships (capital, skills and market networks as key factors)
- weak local institutional capacity
- poor governance
- lack of resources, skills and access to markets etc
- infighting between land claimants, communities and TA
Shared commitment:
A Community Private Public Partnership

- Community consultation: e.g. LEWRA
- Established implementation committee with DRDLR/CLCC
- Presented DAFF (food security and veterinary services)
- Structuring MOUs with WRSA, PHASA, CHASA
- Engaging with NEF and Land Bank
- Vumelana AF and CATHSSETA
Shared commitment: A Community Private Public Partnership

- **Transitioning** from projects to good business and **leveraging** on different capacity
- **Private Sector**: will deliver *sound game management, access to the markets, improve productivity, guarantee reliability, ensure profitability and sustainability*
  - up-front capital investment e.g. working capital and operational infrastructure
  - Employment equity and manages the operations in partnership with landholders

- **Government**: *grant funds* for long term investments and for incubators for new business as well mentoring a new generation of emerging farmers
  - develop buildings and *infrastructure, fencing, restoration of land, game purchase or donation,*
  - **Upskilling**, extension and *veterinary services, enterprise development, tax incentives etc*

- **Emerging game farmers and Communities remain land owners and provide land and labour**
The Cascade Effect: Opportunities for Investment for Pro-poor economic growth

Six Vision 2024 pillars in a nutshell

- Enhanced land and asset infrastructure Value
- Growth in game herd value
- Skills Training and management control capacity
- Wages / salaries income and Beneficiaries indirect benefits
- Enterprise development and preferential procurement
- Low risk regular lease rental/Equity
WEB Community Private Partnership Arrangements

Ranching Operating Unit

Community Trust equity

Private Sector Partner

Business Income Streams

Hunting

Breeding and game sales

Meat production

Others

Lodging

Land Owners/ Emerging farmers

DEA/DRDLR/DTI grant

Reserve management levy

Base rental

Minimum 50% equity option on all the business units depending on community investment (grant)
Community Private Partnership models

Joint Venture and Share Equity

• **Approach:** The community landowner has minimum 50% equity option on all/some the business units depending on government/community investment (grant)

• While land ownership remains with landholders, both commercial partners and communities make joint decisions about operations and commercial risk.

Conservancy

• **Approach:** A model for commercial wildlife ranchers and neighbouring landowners or emerging farmers seeking to work together for higher returns than if work individually.

• The guiding principle is that land ownership is retained. Cost of development and management as well as benefits will be shared according to the level of investment by each participant.
Wildlife Incubators (donation and loan)

- **Approach:** Community beneficiaries must be land owners. They will receive donated game (*nucleus herd*) and infrastructure improvements for which a contractual commitment is to adhere to the program objectives for at least 5 years.

- The beneficiaries will over the agreed period return back or redistribute 50% of all progeny. The original game including the balance of progeny resulting from good management will remain with the beneficiaries.

Vision 2024

- **Inputs:** the success depends on the, game donation, infrastructure, partnerships, mentorships, coaching, training, enterprise development, resource mobilisation etc

- **Expected results:** the emerging farmer gaining experience in breeding, game management, auctioning etc
Land Restitution in SA

Pre-settlement

• Management plans
• Business plans
• Lease agreements
• Fair commercial deal structures
• Empowered local institutions
• Veld conditions assessment
• Game count and acquisition
• Contract management
• Infrastructure and buildings

Post-settlement
Government only settles 70% of the farm value and 30% to be paid from the farm operations.
Government leases 20% of the commercial farm on behalf of emerging farmer operations. After 5 years Gov acquires same or different land for farmers.
Transactional Advisory Services

• Prepare emerging wildlife ranchers and other community structures for engagement with the private sector.
• Assist the same with mobilising and selecting private investors for commercial partnerships and or transactions.
• Advise the same and the private investor, and provide clarity on the partnership proposal in terms of:
  - Risk allocation
  - Value of the beneficiary community institution assets
  - Value of the private sector investment
  - Value of the benefit accruing to the beneficiary community institution
  - Quality of the proposal.
• Facilitate the negotiations.
• Facilitate the conclusion and the signing of the contractual agreements.
Key principle for reciprocal partnerships

- Mutual Respect and Trust
- Fairness and Equitable rights
- Shared Vision and Goals
- Sustainability
VISION 2024

PROPOSED IMPLEMENTATION STRATEGY

VISION

Over the next 10 years we will: (1) **60,000** new sustainable employment opportunities, (2) develop and restore two **2 million** (3) R7 billion worth of equity (4) ownership of **300,000** heads of game

STRATEGY/programmes

- People and Parks
- Recap and Dev/CLCC
- Emerging Wildlife Ranches Ass
- Private sector
- TFCAs/Rhino Unit/Buffer Z.
- Stewardship program
- Environmental Prog./Monitors/YES

Key Interventions

<table>
<thead>
<tr>
<th>GUARANTEED LEASE/EQUITY OPTION</th>
<th>SKILLS DEVELOPMENT &amp; MANAGEMENT CONTROL</th>
<th>P/S PARTNERSHIPS</th>
<th>ENTERPRISE DEVELOPMENT and EMPLOYMENT</th>
<th>GAME STOCKING AND INFRASTRUCTURE DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Long term base rental</td>
<td>• Skills and competency audit</td>
<td>• Agreements</td>
<td>• TNA</td>
<td>• Assessment/Audit</td>
</tr>
<tr>
<td>• Equity options</td>
<td>• Skills Training</td>
<td>• Business Plan</td>
<td>• SMME training</td>
<td>• Management plans</td>
</tr>
<tr>
<td>• Institutional development</td>
<td>• Bursaries</td>
<td>• Government</td>
<td>• Direct salaries</td>
<td>• Game improvement</td>
</tr>
<tr>
<td>• Deal structuring</td>
<td>• Mentorship</td>
<td>• P/S funding</td>
<td>• New SMMEs and co-operatives</td>
<td>• and stocking,</td>
</tr>
<tr>
<td>• Legal or lease arrangements</td>
<td>• Coaching</td>
<td>• Implementation</td>
<td>• creation</td>
<td>• Extension and vet</td>
</tr>
<tr>
<td>• Business planning</td>
<td></td>
<td>• of joint pilots</td>
<td>• Preferential procurement</td>
<td>• services,</td>
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<td></td>
<td></td>
<td>• Investor</td>
<td></td>
<td>• Fencing,</td>
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<tr>
<td></td>
<td></td>
<td>• catalogue</td>
<td></td>
<td>• Infrastructure</td>
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</tbody>
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People and Parks

TFCAs/Rhino Unit/Buffer Z.

Recap and Dev/CLCC

Emerging Wildlife Ranches Ass

Private sector

Stewardship program

Environmental Prog./Monitors/YES
Summary: “the new game changer”

- **Building a robust wildlife** economy that contributes substantially to the financial and economic climate in SA.
- **Promoting sustainable rural enterprises and industries** by enabling emerging wildlife ranchers and community landholders to participate in the mainstream wildlife economy as shareholders and entrepreneurs.
- **Create incentives to attract investment in rural areas** through community private public partnerships without compromising land ownership or use rights.
- Developing game ranches and PAs as new and alternative engines of rural economic development with strong emphasis on **skills and human resource development, food security, good governance, entrepreneurship, job creation, reduction of poverty, wealth and planning.**
- **Calls for a paradigm shift** that places wildlife as viable alternative for a business rural development model and land reform.
An investment opportunity to empower and protect our natural heritage
Mayibuye
GAME RESERVE
CAMPEDOWN - KWAZULU NATAL

environmental affairs
Department: Environmental Affairs
REPUBLIC OF SOUTH AFRICA
Balepye Game Reserve
Sepelong Game Farm