

A CHRONOLGY OF WORK IN THE BOSCHENDAL INTERIM FORUM: AUGUST 2004 – AUGUST 2006

1. INTRODUCTION

This document gives an overview of the Boschendal Sustainable Development Initiative (BSDI), from the perspective of the Boschendal Interim Forum (BIF). This paper responds to the need for a chronology of the public participation process embarked upon by the BIF. It also reflects on the work of the forum since its inception and it provides an understanding of the key issues faced by the forum. A social process of this magnitude, caliber and depth cannot be understood in isolation from its social context. The Dwarsriver-valley with its five diverse communities provides a very dynamic context for this initiative. It is therefore appropriate that this document focuses on these communities in some detail. In the final analysis the paper tries to reflect on the lessons learnt in this process, hopefully for the benefit of similar projects in SA and abroad.

2. BACKGROUND TO THE BSDI

During 1998, Anglo American Farms (AAF) decided to sell some of their properties (some 3000 hectares of land) in the Dwarsriver-valley. This company was the biggest landowner in the valley for generations. Through the years it has provided employment, housing and social stability to thousands of local families. In many ways, AAF was the hub of the local economy. After their resolution to refocus and transform their business in the valley, AAF took steps to rationalize their landholdings by;

- a) consolidating incoherent historic titles and subdividing the land into coherent entities,
- b) formalise water agreements,
- c) formalise servitudes, etc.

(DMP; BSDI, December 2005)

During 2000, AAF decided to sell all their properties in the valley. Mindful of the unique role AAF has played in this valley, the company decided to develop a framework that would guide the rationalization process, in order to achieve:

- a) Orderly transfer of ownership.
- b) Sustainable long-term use and management of the land.
- c) Custodianship.
- d) Land reform.
- e) Community empowerment.
- f) Social equity.

(DMP; BSDI, December 2005)

After an extensive period of bidding the land was sold to Boschendal Ltd and Two Rivers. The latter bought the land with the intention of a property development. Together with AAF, the local communities and the Municipality of Stellenbosch, the new owners decided to embark upon what has become known as the Boschendal Sustainable Development Initiative. The BSDI is essentially an over-arching framework that would guide the planning-, approval-, development- and implementation phase, based upon a number of key objectives and principles, namely:

- To unlock the potential of the land.
- To generate meaningful benefits for both socio-economic development and environmental rehabilitation.
- To implement a viable and sustainable property development
- To preserve the social, natural and cultural heritage in a sustainable and integrated manner.
- To form meaningful partnerships with the relevant authorities and other stakeholders and within context of government policy.

It should be abundantly clear that the BSDI is a project of significant implications for the natural and built-environment, for the local communities and for the future of the Dwarsriver-valley as a whole. It cannot be implemented without extensive consultation and public participation. In addition, since it is a complex project with a significant impact on the local people, the representatives of the community insisted that it must be done in a phased approach, within the context of a broad framework. This would allow the community to develop a broad vision for the project, while at the same time it would allow for opportunity to consult and seek community consensus

on the finer detail, every step of the way. In this respect it was resolved to support the development in the following way:

- To support the BSDI in principle as a broad framework for the development
- To consent to the detail in the Founders Estate application
- To consider the detail of the second phase after the Founder Estate application has been finalised.

Currently, the Founders Estate application is still under consideration by the SA Heritage Resources Agency. As soon as that has been finalised the detail of phase two (2) must be considered by the BIF and workshopped with the local communities.

3. The Public Participation Process in the BSDI

3.1 The Pre-Interim Phase

The Boschendal Interim Forum was formed just over two years ago, in August 2004. This came as the result of extensive public participation over a period of at least twelve months. During this period that became known as the pre-interim phase, over 20 organized groups, countless individuals and a few public meetings were briefed, consulted and addressed. Attached as Annexure A is a list of stakeholders identified and consulted at the time.

The pre-interim phase was aimed at:

- ❖ Identifying key stakeholders in the Dwarsriver-valley.
- ❖ Securing input on the project framework from a wide range of local stakeholders.
- ❖ Creating a structure that could serve as a platform for local public participation in an integrated and consolidated manner.

The last point was of particular importance, for a number of reasons. Firstly it was clear from the onset that the project would have a significant impact on the broader community. Secondly, the Dwarsriver-valley consists of 5 different communities namely Lanquedoc, Meerlust/Groot Drakenstein, Johannesdal, Priel and Kylemore. In order to engage the local communities in a meaningful way, it was important to have a single structure that could be engaged on a regular basis. In fact, the creation of a single structure was

done on the insistence of the local communities. The 5 different communities had a history of strife and non-cooperation with each other and it was important to create a single entity that could represent the interest of all the communities in the development process. This would ensure that opportunism and exploitation do not occur, while maximum benefits would be secured for all the communities. Lastly, this was of critical importance because, since the initiation of the project the valley saw the emergence of opportunists and organizations with no support and no track record in the local communities, such as the Dwarsriver-valley Community Forum, who claimed they speak on behalf of significant groupings in the valley.

At the time the ward committees of municipal wards 17 and 18, under the leadership of the elected ward councilors were obviously the biggest and most representative structures in the Dwarsriver-valley. It must also be noted that although certain organizations and entity have existed in the individual communities, no representative structure was in place for the Dwarsriver-valley as a whole.

The pre-interim phase took several months to complete and was led by the social consultant, Mr R. Damons of Zevanti Consulting. During this phase a number of key lessons were learned namely:

- i) The Dwarsriver-valley community is not a single, unified community.
- ii) It consists of 5 different communities, each with its own identity, with peculiar features and fairly diverse needs.
- iii) No single individual, institution or organization could legitimately claim to represent the interest of the four communities.
- iv) General consensus on the process and the detail of the development plan would be difficult to achieve in the absence of a well-defined framework.
- v) The need for an over-arching, coordinating body became abundantly clear.

This phase culminated in the formation of the Boschendal Interim Forum on 7th August 2004.

3.2 The Interim Phase

On 7 August 2004, at a historical meeting held at Le Rhone, representatives of all the communities met with AAM, the developers and their consultants. Here it was formally resolved to form a coordinating body that would represent the interest of all the communities in the Dwarsriver-valley. This structure would provide a platform for interaction between the developers and the affected communities. It was also agreed that the BIF must serve as the forerunner for the Boschendal Treasury Trust.

The BIF was constituted along the following lines:

- ❖ The two ward committees (municipal wards 17 and 18) will get 80% of the seats on the forum.
- ❖ 20% of the seats will go to other stakeholders such as political parties, the business sector and religious groupings.
- ❖ The 5 different communities must as far as possible be represented on the forum.
- ❖ The forum could nominate any other interested/affected party/person with a reasonable interest in the development or with the necessary skills/expertise that could assist the forum in the execution of its duties.

The following members were elected to serve on the BIF:

Sandra Jooste (Chairperson of the Ward Committee, Ward 17) {Councillor, Ward 17}

Desmond Adams (Member of Ward Committee, Ward 17)

Eva Williams (Member of Ward Committee, Ward 17)

Karel Pietersen (Chairperson of the Ward Committee, Ward 18) {Councillor, Ward 18}

Mervin Williams (Member of Ward Committee, Ward 18)

Sharon Hosking (Member of Ward Committee, Ward 18)

Matthew Cyster (Pniel Congregational Church)

David Carolissen (ANC Branch Chairperson, Ward 17) {Chairperson of the Forum}

Members Nominated by the Forum

Abe January (Lanquedoc Housing Association)

Mona Kleinsmith (Lanquedoc Community)

Thembi Mkosana (Lanquedoc Community)

Chris Lewis (Pniel Community)

Mike Fraser (Pniel Community)

Lewis Conradie (Meerlust Community)

Sydney van der Westhuizen (replaced S Hosking as member for ward 18)

From the above it is clear that the forum represented a cross-section of all the stakeholders in the Dwarsriver-valley. Most importantly, the BIF ensured that all the different communities of the valley were represented, directly as well as indirectly, through the respective ward committees and nominated individuals.

4. THE COMMUNITIES OF THE DWARSRIVER-VALLEY

Before one can fully appreciate the work of the BIF, one has to understand the settlements in the valley. As said, the Dwarsriver community is not a single, unified community. It is made up of 5 different communities, each with its own identity, with peculiar features and fairly diverse needs. No single individual, institution or organization could legitimately claim to represent the interest of the five communities. Hereunder follows a brief overview of the 5 communities:

❖ Pniel

Pniel was established just after the emancipation of the slaves in the middle 1800's. It was always a fairly hegemonic community, centred around the Pniel Congregational Church. It had a number of community-based organizations, of which the majority was church-based. This is a fairly affluent community of about 3 000 people, with its own set of social challenges such as political apathy, an increase in drug-abuse and land-invasion.

Up to this day the church is the biggest influence in Pniel and is the most respected voice on behalf of almost the entire community. It is important to note that the Congregational Church was consulted on the Boschendal Development right from the onset, and was in fact given a seat on the Boschendal Interim Forum.

❖ **Johannesdal**

Johannesdal was established shortly after Pniel. The majority of families here are related to those in Pniel and also attend the same church in Pniel. This community can be seen as a natural extension of Pniel. It has about 600 inhabitants.

Although there was an attempt a few years to get a community-based structure in this community going, this was not very successful. At the moment there is no community-based structure operating in Johannesdal.

❖ **Kylemore**

Kylemore was established in 1898, when businessmen from Pniel decided to expand their business to a nearby village. Currently it is the biggest of the 5 communities, with almost 7000 people. It has more than 5 different churches and the community is fairly divided along religious lines. In spite of this a remarkable degree of unity and solidarity do exist.

Kylemore was always a very vibrant, politically conscious community, especially since the early 1990's. For example, in 1988 a new Ratepayers and Tenants Organization was formed that led the social and political transformation of this community throughout the 1990's. This organization ceased to operate by 1999. Ever since the Kylemore ANC branch and the local councilor were responsible for political and social leadership and popular mandates.

Whilst Kylemore always had active social clubs, sport clubs and church-based entities, the biggest influence was the local ANC leadership. This can be seen from the local government election results over the last 10 years. These leaders were all consulted in relation to the Boschendal project and they were subsequently delegated by the local community to serve on the BIF. The representatives of Kylemore have regular feedback sessions and public meetings in the local community. Up to this very moment nobody has ever challenged these leaders and their mandate and it is safe to say that they enjoy credible support from the constituency. When we therefore claim that the community of Kylemore supports the BSDI it is a fair and legitimate claim.

❖ **Groot-Drakenstein/Meerlust**

This is largely a farming area, with a SAFCOL settlement at Meerlust of about 400 people. Meerlust has a serious need for social infrastructure and community upliftment.

Again, when one looks at the issue of legitimate representation, in the case of Meerlust, both the former and existing local councilor were serving on the BIF. In addition, Meerlust has no other structure but the Groot Drakenstein Housing Association, a registered Section 21 Company. The Chairperson of this company is the local councilor, and he is a member of the BIF.

❖ **Lanquedoc**

Lanquedoc is also an old settlement that was established under the auspices of Cecil John Rhodes in 1898. It used to be home to no more than 200 farmworker-families. However, after the withdrawal of Anglo American Farms from the valley, an additional ± 400 houses were built in Lanquedoc. As a result Lanquedoc is experiencing an escalation in social ills such as juvenile delinquency, illegal shebeening and violent crimes that were unheard of before its expansion. More than anywhere else in the valley, Lanquedoc needs a direct intervention in order to uplift the place and to address the serious backlogs that exist.

In respect of civil society organizations, Lanquedoc had for many years only a single church. Recently a new church-building for a different denomination was added. Traditionally the church played a key role in social living. With the implementation of the Lanquedoc housing project Anglo American Farms decided to establish a section 21 company that would implement and manage the housing project. This company was called the Lanquedoc Housing Association.

Right from the outset this institution was a totally discredited organization with no support or credibility in the local community. It was resolved that, as part of the BTT process, to resolve the leadership crisis in Lanquedoc, in a way that would facilitate social cohesion and unity in this community.

4. BACKUP TO THE BIF

Since the forum was an entirely community-based structure, the Forum requested a legal advisor of their choice to provide them with legal advice in their discussions with the developers. In the end it was agreed to appoint Mr Glyn Williams from Chennels and Albertyn in Stellenbosch.

In addition, a heritage and a social consultant were appointed in order to assist the Forum and the developers with the implementation of this initiative.

5. MEETINGS AND WORKSHOPS OF THE BOSCHENDAL INTERIM FORUM

The BIF has met at least once every month, over the last two months. In addition, a number of public meetings were held, at least one in each community. In total the Forum itself had more than 20 meetings and workshops. The number of public meetings was 8 in total and more than 300 people attended these meetings. In addition, the Forum had consultation- and briefing sessions with a whole range of individuals and sectoral groups in the Dwarsriver-valley.

At all these meetings vigorous engagements between the developers and the communities took place. These meetings, under the auspices of the Interim Forum, served as a key platform where concerns were raised and intruding questions were asked. In the end all the communities expressed support for the development, based on a number of conditions to be met by the developers.

6. THE ISSUE OF REPRESENTIVITY AND CREDIBILITY

In post-Apartheid SA community-based leaders, across a wide-spectrum are struggling to maintain sufficient credibility over lengthy periods of time. In developments of this nature, where extensive resources and money are involved, the opportunity for community factions and frictions also become a very determining issue. For the successful implementation of an innovative scheme such as the BSDI, the challenge was twofold:

- a) How does one engage with a diverse community, straddled across 4 distinct settlements?
- b) How does one determine who the credible leaders and institutions are that must be engaged in this development process?

Coupled with the above were a number of other key issues namely:

- What kind of structure should be used to represent the communities in this development?
- How will that structure come about in the context of a deeply divided (spatially, socially and sometimes racially) community?
- If such a structure can be created, how will it derive its mandate from its constituent community?
- Will such a structure (or any group of people), in the context of a rapidly changing social landscape, be able to sustain the support of its constituency over any period of time? Indeed, will such a structure keep itself together over any period of time? It must be kept in mind that developments take anything between 2 to 4 years for completion. A development such as the BSDI will take between 5 to 10 years.

Common sense suggests that, over time considerable shifts are highly likely to occur in any social system/structure. In the context of a fragile unity such as the one obtained in the BSDI, it would require great leadership and extraordinary vision to sustain the interest in the process and to keep the support and mandate of the community alive.

- What kind of resources and skills are needed to provide support to a structure of this nature?
- How will the need for independence of such a structure be balanced with the needs of the investors?

Clearly, to identify credible local leaders represents a minefield in itself. To unify a divided community such as the Dwarsriver-valley in one structure was an immensely difficult task. In the end all the challenges mentioned above were dealt with and up to this very day, the BSDI in spite of sometimes, serious obstacles along the way, still represents a sound and authentic partnership between the developers and the people of the Dwarsriver-valley. This was achieved primarily because of the credibility of its leaders and the integrity of the process itself. To this effect it is worth noticing that both the newly elected ward Councillors of Stellenbosch Municipality were members of the Forum since its inception. In addition, at least four other members hold credible political office while all the others are community leaders of sufficient credibility in their respective communities. Indeed, the vital issue of credible leadership was addressed in the BSDI.

Today it can be reaffirmed, the Boschendal Interim Forum is the only **legitimate representative structure** across the five different communities in the Dwarsriver-valley. It is made up of representatives of Lanquedoc, Meerlust/Groot Drakenstein, Pniel/Johannesdal and Kylemore. No other structure can claim the kind of legitimacy and representivity as this Forum has. The Forum has succeeded in uniting a very divided community and it is trusted that this work will continue beyond the lifespan of this development.

7. STRATEGIC APPROACH OF THE BIF

The Interim Forum maintained a very basic approach to the negotiations and discussions with the developers namely, the forum is an independent body, solely representing community interests and expressing community views on the development proposal. As such, the Forum reserved the right to withdraw, differ and object to the development at any stage, should the development deviate from the basic framework that was agreed upon right from the outset.

Secondly, the BIF was always intended to be an interim structure with a limited lifespan. The mandate of Interim Forum can be summarized as follows:

- a) To represent the community in the initial phases of the development, and
- b) To prepare for the establishment of the public benefit organisations (Boschendal Treasury Trust).

After the formation of the BTT the Interim Forum would dissolve and the BTT will, based on a mandate from the local communities, endeavour to structure a relationship, in whatever form, with the developers in order to ensure the continuous implementation of the Boschendal SDI.

8. PLANNING APPROACH AND METHODOLOGY

8.1 RATIONALE AND OBJECTIVES OF THE APPROACH

The rationale of the model adopted by Boschendal Limited, Two Rivers, AAF and the target community is to undertake development projects as part of, and within the context of, a larger overarching development initiative for a defined area within the framework of local, regional and national planning policy.

A key aspect of the SDI is that a **Trust Fund** is to be established to help finance community and environmental projects that form part of the initiative. In this regard, it is noted that this approach does not imply a one-sided granting, or transfer, of funds from the core project(s) to any other stakeholders.

The model builds on the creation of an **empowering environment** as a strategy to unlock the potential of the area and its resources to generate benefit for all stakeholders. An appropriate portion of these benefits then accrue to the trust fund from where it is transferred to the community and environmental programmes that form part of the initiative as a whole. The SDI implies the appropriate utilisation of resources for the benefit of all. To achieve this, a strong partnership between the various stakeholders is necessary, which recognises the right of the affected communities to be involved, as a key partner, in the planning and implementation of the initiative.

9. THE PLANNING MODEL AND ITS PHASES

In terms of the project-based planning model adopted for the Boschendal SDI, the planning process is undertaken in four distinct phases and a number of defined steps as illustrated by the Diagram on the following page.

A key characteristic of the planning process is that it includes a distinct *Inception Phase*. This phase comprised a number of unofficial steps and allowed the developers and their professional team the opportunity to communicate with all stakeholders and to seek the input of all stakeholders regarding all aspects of the proposed SDI prior to entering into the statutory application process, which is regulated by strict procedural directives.

A key objective of the *Inception Phase* was to enable the proponent to prepare an application that supports the SDI objectives, that has integrity, and that can be justified in terms of all-inclusive values and commitments.

In summary, the SDI is a development process aimed at:

- Developing the property as a primary economic driver that would unlock funds for socio-economic development and the management of the environmental and cultural resources of the Dwarsriver-valley.
- Orderly transfer of land ownership.
- Sustainable long-term use and management of the land.
- Land Reform and Community-empowerment.

At the heart of the SDI lies the following strategy:

- a) Attracting favorable and sustainable investments.
- b) The creation of sustainable economic activities that will utilize the competitive and comparative advantages of the area. This must include employment opportunities through small, medium and micro enterprises.
- c) Addressing the needs of the local population, in particular that of the previously disadvantaged community.
- d) Networking and partnerships with key partners at local, regional and international level.

(DMP; BSDI, December 2005)

10. CRITICAL COMPONENTS OF THE BSDI

From the previous paragraphs it will be noted that a number of elements are critical to the BSDI, namely:

- ❖ **Significant Investments**
- ❖ **An authentic partnership between local communities, developers, authorities and other stakeholders.**
- ❖ **A platform that could provide the institutional capacity for developers and communities to engage with each other.**
- ❖ **A transparent and empowering process, especially from the perspective of previously disadvantaged communities.**

11. WHAT IS THE SIGNIFICANCE OF THE BSDI

The BSDI must be seen against the background of the National Growth and Development Strategy and the provincial program called Ikhapa Elihlumayo. In particular, the BSDI builds upon the vision of the SA government as spelled out in the State of the Nation Address in 2004 and 2005. In particular, the principles and objectives of the SDI and the process adopted for its implementation are aimed at and are consistent with the vision of a people-centred society and the eradication of poverty.

However, as President Mbeki has rightfully observed, we need legitimate programmes that serve this vision. The SDI is such a program. Apart from the fact that it will provide significant material benefits to the local communities, it will also provide a legitimate structure with the skills and capacity to implement projects that would facilitate poverty eradication in the Dwarsriver-valley.

The BSDI is premised on a worldview that favours organised and empowered communities. It is our fundamental belief that economic empowerment is absolutely impossible without social mobilization and community empowerment. In fact, investment without social mobilization is doomed for failure. As a result a lot of time was spent on social facilitation and mobilization in the BSDI.

This development is not the first that offers benefits to the local communities. What make it different are the approach, the process and the kind of benefits that it would provide to the community. Apart from material benefits it provides a process for community empowerment, together with a long-term structure that will ensure sustainable development long after the development has occurred. This is indeed beyond what is coined “corporate social responsibility”. The developers had the vision and the commitment to organise and empower local communities, not only to take part and secure benefits in this development, but to ensure their own upliftment, in a structure of their own, long into the future. They have initiated a process that would ensure that the local communities are empowered to negotiate with corporates and developers in a more informed manner. Clearly, this could be counter-productive for any developer since an informed and empowered community could turn against them. To their credit, the developers in this initiative were bold enough embrace the notion of authentic partnerships with the local people.

12. THE GUIDING PRINCIPLES OF THE BSDI

On the one hand the BSDI is a healing and restoration process; it heals the rifts between and within local communities and between the communities of the Dwarsriver-valley and the owners of the land (past and present). Furthermore, the BSDI is an integrated program based in:

- Social Justice
- Transformation of the Economy
- Social Investment for the common good
- Authentic Partnerships

In addition, the BSDI seeks to achieve the ever-elusive balance between community upliftment, investor expectations, environmental protection and the preservation of a cultural legacy. This is one of the biggest challenges in SA today. In the Dwarsriver-valley, with its natural environment and cultural legacy of worldwide importance, this balance is even more difficult to achieve.

As elsewhere in SA, grinding poverty co-exists with vast opulence. We believe that we cannot address the one without the other. The protection of the natural environment cannot occur without social upliftment. In fact, poverty and social instability will undermine the protection of the environment and the preservation of our cultural legacy. This is so eloquently summed up in the following quotation:

“If it is truly the well-being of all our people that we first and foremost seek in this process of socio-economic transformation, the challenge we face is that of creating conditions for economic and environmental justice to be done. The one cannot be had without the other. The well-being of our nation and the well-being of our national heritage are not two separate issues but one. There cannot possibly be any serious commitment to economic justice for our people that is not inclusive of ecological responsibility” (D. F Olivier, December 1997).

In the context of the Dwarsriver-valley, the BSDI constitutes a significant break with the past, from slavery and oppression to hope and dignity. It rests in a process that ensures value beyond of the development proposal. The BSDI seeks to unlock the latent potential of the land, in a way that significantly redress and transform the spatial, cultural and socio-economic legacy of the Dwarsriver-valley. It empowers and liberates and establishes the poor as equals to corporate developers.

As a development proposal the BSDI meets the following criteria:

- a) Economically Sensible and Financially Sustainable Investment
- b) Preservation and Conservation of the Natural Environment
- c) Preservation of the Cultural Legacy
- d) Promoting Sustainable Communities
- e) Sustainable Resource-Use (Infrastructure and Buildings)

13. INSTITUTIONALISE THE OBJECTIVES OF THE BSDI

13.1 THE BTT

Early in the development discussions it was agreed that the Boschendal Treasury Trust (BTT) would be established as an overarching, community-development structure for the Dwarsriver-valley. The main objective of the BTT would be to serve as a vehicle through which the various proposed programmes and projects of the initiative would be implemented and managed, and through which benefits would be devolved to the various

beneficiaries and stakeholders in a transparent manner and in the spirit of partnership.

In order to enable the BTT to achieve its goals, the trustees should have full control over the administration of the funds and assets. It is envisaged that, as soon as the objectives of the BTT have been achieved, it would be scaled down to that of a conduit that collects and receives the contractual contributions from the relevant participants and distributes these to the relevant beneficiaries on a requirement basis.

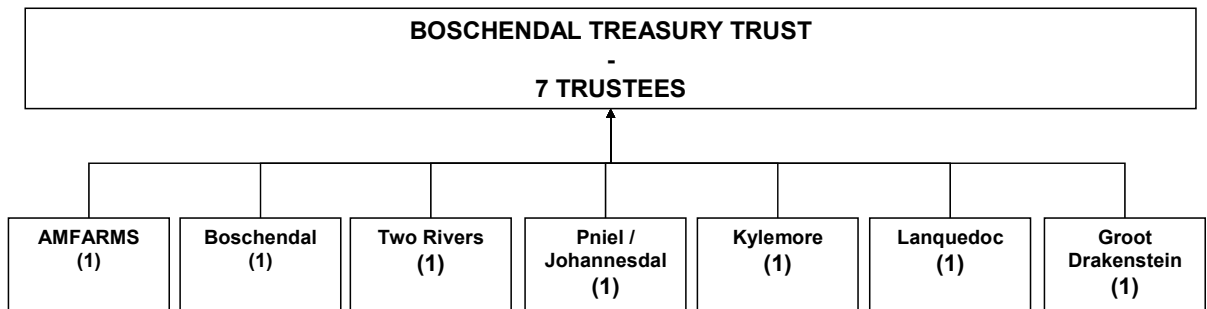
The initial functions and objectives of the BTT will include the following:

- a) Ensuring the conclusion of all the lease agreements that are to provide an on-going income stream for the beneficiaries of the trust.
- b) Facilitating the development and/or sale of land that has been made available for the beneficiaries of the trust.
- c) Assisting with the establishment and registration of all the various entities required to manage and administer the funds made available to the beneficiaries.
- d) Assisting with the empowerment of the people elected to manage and administer the funds allocated to the various entities (possibly with the assistance of the Business School of the University of Stellenbosch).

(DMP; BSDI, December 2005)

The BTT will initially comprise an equal number of representatives of Boschendal, Two Rivers and AAF and the affected communities of the Dwars River Valley. An independent trustee will be elected by the trustees of the BTT.

Diagram : BTT Trustees



(DMP; BSDI, December 2005)

At the time of writing this document, the BTT was formally registered with the Master of the Cape High Court and already had it's first official meeting.

13.2 BENEFICIARIES OF THE BTT

A number of entities would be beneficiaries of the BTT (refer to Diagram below). These entities will be set up in partnership and in close co-operation with the relevant stakeholders in order to ensure that benefits are delivered to the rightful beneficiaries in a properly managed, transparent and orderly manner.

It is proposed that all the entities, including the BTT, be registered in terms of Section 13(5) of the Non-profit Organisations Act, 1997 (Act 71 of 1997) and that they will apply in their capacity as *Public Benefit Organisations* (PBOs) for exemption from income tax in terms of Section 30 of the Income Tax Act, 1962 (Act 58 of 1962). This will ensure that as much of the donated funds as possible would be available for the benefit of the ultimate beneficiaries.

It was decided that a structure of *Public Benefit Organisations* (PBOs) be established to manage and control the interests of the various beneficiaries of the Boschendal SDI which is illustrated in the Diagram below. It is envisaged that other entities that subscribe to the philosophy and principles of the SDI could be incorporated into the structure illustrated by the Diagram.

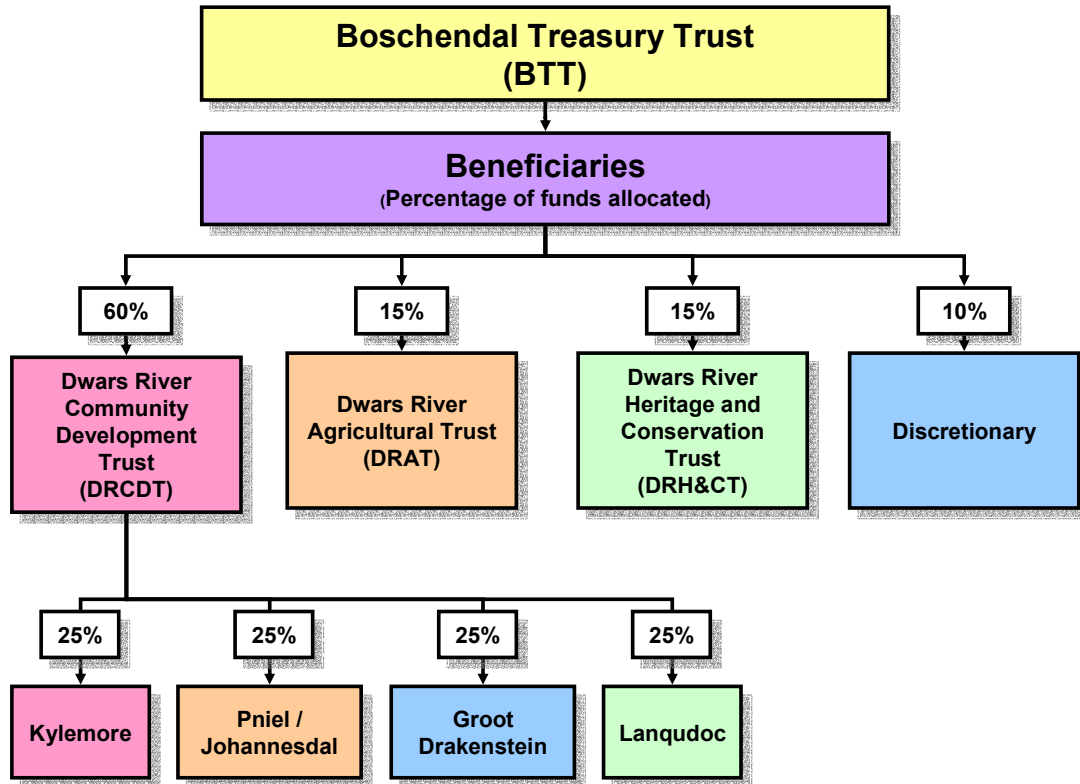


Diagram: Beneficiaries of the BTT.

(DMP; BSDI, December 2005)

13.2 FUNDING OF THE BTT

13.2.1 CASH CONTRIBUTION

As stated above, the BTT will benefit from cash (estimated to be in excess of R100 million) to be made available by Boschendal and Two Rivers. In this regard, Boschendal and Two Rivers will conclude sales agreements with buyers in terms of which 5% of the proceeds of initial sales and 0,5% of all subsequent sales would be transferred to the BTT.

13.2.2 LAND TRANSFERS

Boschendal, Two Rivers and AAF will donate approximately 270 ha of land to the BTT. This land will include approximately 110 ha of productive agricultural land. Plan 2 attached and the table below illustrate and summarise the various portions to be transferred to the BTT.

Table 1: Land to be made available to the BTT

FROM	PORTION ON MAP	DESCRIPTION	EXTENT (HA)
Boschendal	A	Simonsberg Conservation Land	36,0
	F	Groot Drakenstein Conservation Land	38,7
	G	Old Bethlehem Urban Land	21,5
	H	Old Bethlehem Agricultural Land	7,5
	I	Old Bethlehem Conservation Land	26,0
	K	Dwars River Conservation Land	10,8
		SUB-TOTAL	140,5
Two Rivers	J	Agricultural land	47,0
		SUB-TOTAL	47,0
AAF	B	Agricultural Land	5,0
	C	Old Bethlehem Conservation Land	12,0
	D	Agricultural Land	50,0
	E	Residential Land	14,3
		SUB-TOTAL	81,3
		TOTAL	268,8

(DMP; BSDI, December 2005)

13.2.3 PROPERTY SALES

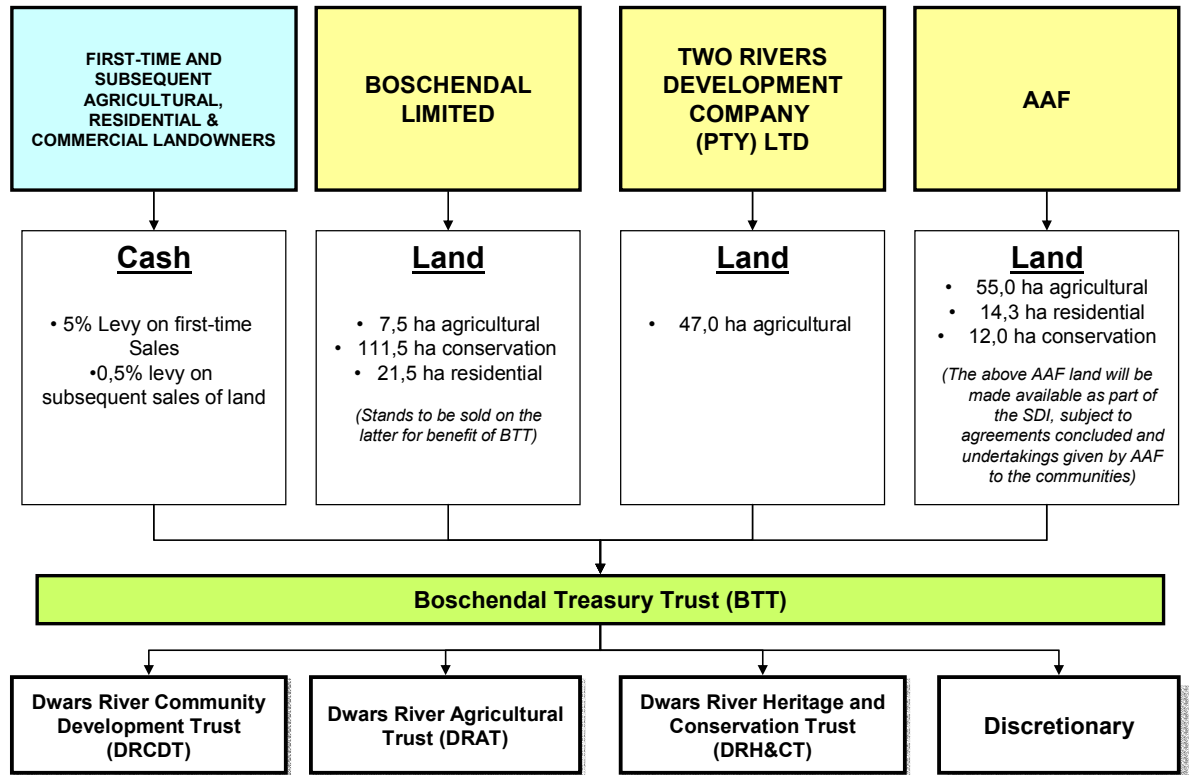
It is envisaged that portion G (21,5 ha.) located on the south-western boundary of Old Bethlehem adjacent to the village of Kylemore (refer to Plan 2) will be developed and sub-divided into residential and commercial stands. These stands will be sold to community members and the proceeds will be transferred to the BTT. The sale of the residential stands will constitute a business undertaking as provided for in Section 30 of the Income Tax Act. In terms of the provisions of Section 30, the BTT will have to transfer the land to a separate tax-paying entity totally under its control that would take responsibility for the development and sale of the stands. Upon completion, the after-tax proceeds will be transferred back to BTT, which will then apply such funds in accordance with its mandate. It is proposed that a private company be formed and incorporated for this purpose in terms of the Companies Act.

13.2.4 AGRICULTURAL LAND

As stated above, Two Rivers will donate to the BTT portion J (47 ha of agricultural land) (refer to Plan 4) on condition that such land must be actively farmed in perpetuity.

The Diagram below summarises how the BTT will be established and funded by the various key stakeholders.

Diagram: Funding of the Boschendal Treasury Trust (BTT)



(DMP; BSDI, December 2005)

14 . WHAT WERE THE OBSTACLES?

Hereunder follows a list, in staccato form, of some of the key obstacles faced in this process. Since each of these warrants an entire discussion on its own, it is impossible to deal with it in more detail:

- ❖ A database of key stakeholders in the Dwarsriver-valley did not exist.
- ❖ The Dwarsriver-valley was a fairly divided community, with a lot of contested space with and between communities.
- ❖ Due to the long history of exploitation and subjugation, a lot of mistrust for corporate developers was prevalent in the valley.
- ❖ There was no single coordinating structure for the Dwarsriver-valley communities.

- ❖ The proliferation of social-ills, particularly brought about by the withdrawal of AAM from the area.
- ❖ The evictions and housing crisis in Lanquedoc and on the remainder of the Anglo American land.
- ❖ The opposition to this development, mostly from people/organizations from outside the valley.

15. CONCLUSION

The SDI is founded upon the following vision:

“A united, healed valley where we labour for the upliftment and development of all its people, in order to enjoy a quality of life that is consistent with the natural beauty.”

Many were involved in the last few years to work towards the implementation of the BSDI. Much time and resources were committed to this worthy cause. However, the actual work lies ahead. It will take many years and more commitment to implement the vision and objectives of the people of this valley. With the implementation of the BSDI, the formation of the BTT and the positive support from the authorities, we have confidence that “tomorrow will be better than yesterday”.
