BOSCHENDAL

FOUNDED 1685

THE ESTATE

SUSTAINABILITY FINANCE IN PRACTICE BOSCHENDAL, SOUTH AFRICA A CASE STUDY

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ECO INOVATION FORUM
25 NOVEMBER 2010
CENTRAL HALL WESTMINSTER

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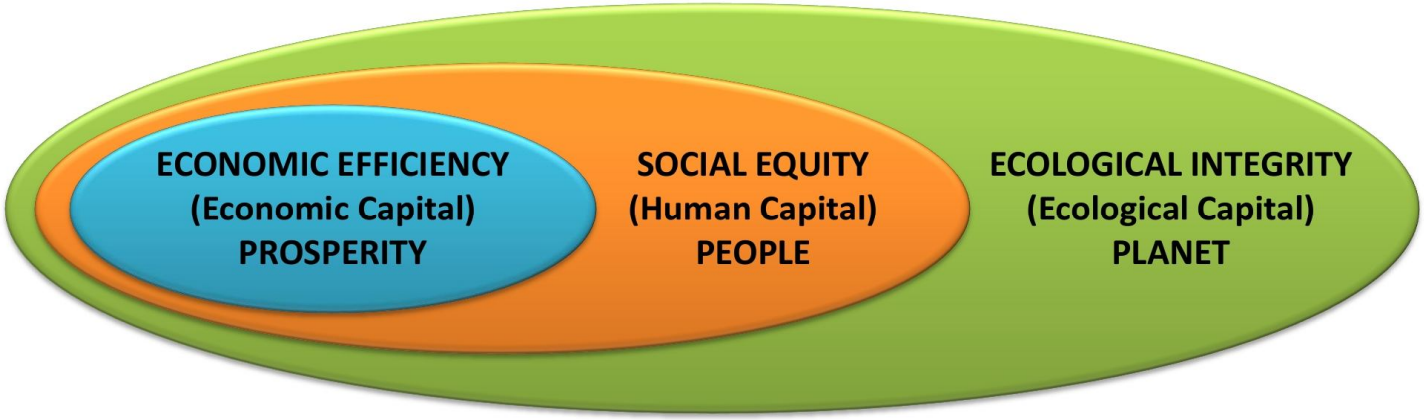
DENNIS MOSS
CHIEF EXECUTIVE

DENNIS MOSS PARTNERSHIP
Architects • Urban & Regional Planners • Environmental Planners
Landscape Architects • Urban Designers

Sustainable Development



Where development means

"Improving the state of any given condition"

The Challenge is to make this bankable which requires a special mechanism

Sustainability Finance is this mechanism

Sustainability Finance combines
Monetary + Infrastructural + Environmental + Social & Intellectual Capital

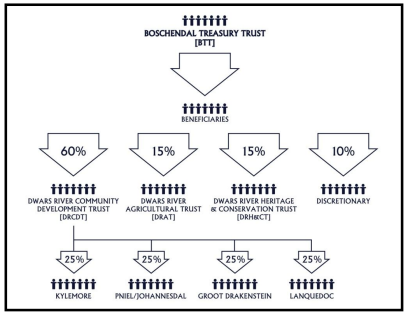
The delivery of sustainability finance faces unique risks and opportunities

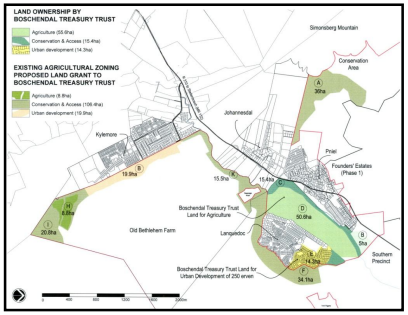
SUSTAINABILITY FINANCE - BOSCHENDAL

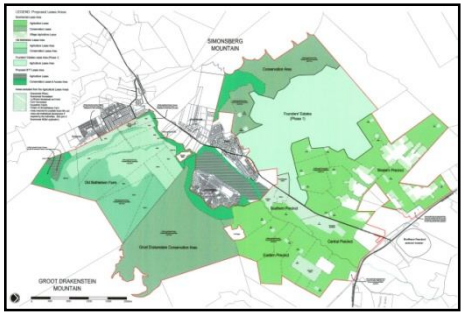
Sustainability Finance = Monetary + Infrastructural + Environmental + Social Capital

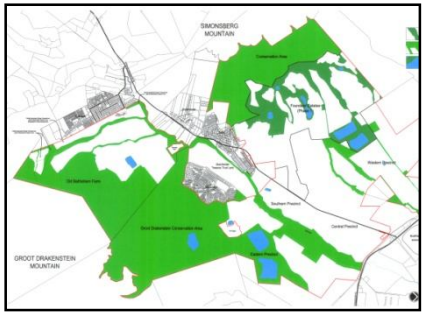
Recipient: Boschendal Treasury Trust

- **CASH FROM SALES**
- **PROPERTY GRANTS**
- **AGRICULTURAL LAND GRANTS AND SHARES**
- **CONSERVATION LAND GRANTS AND SHARES**





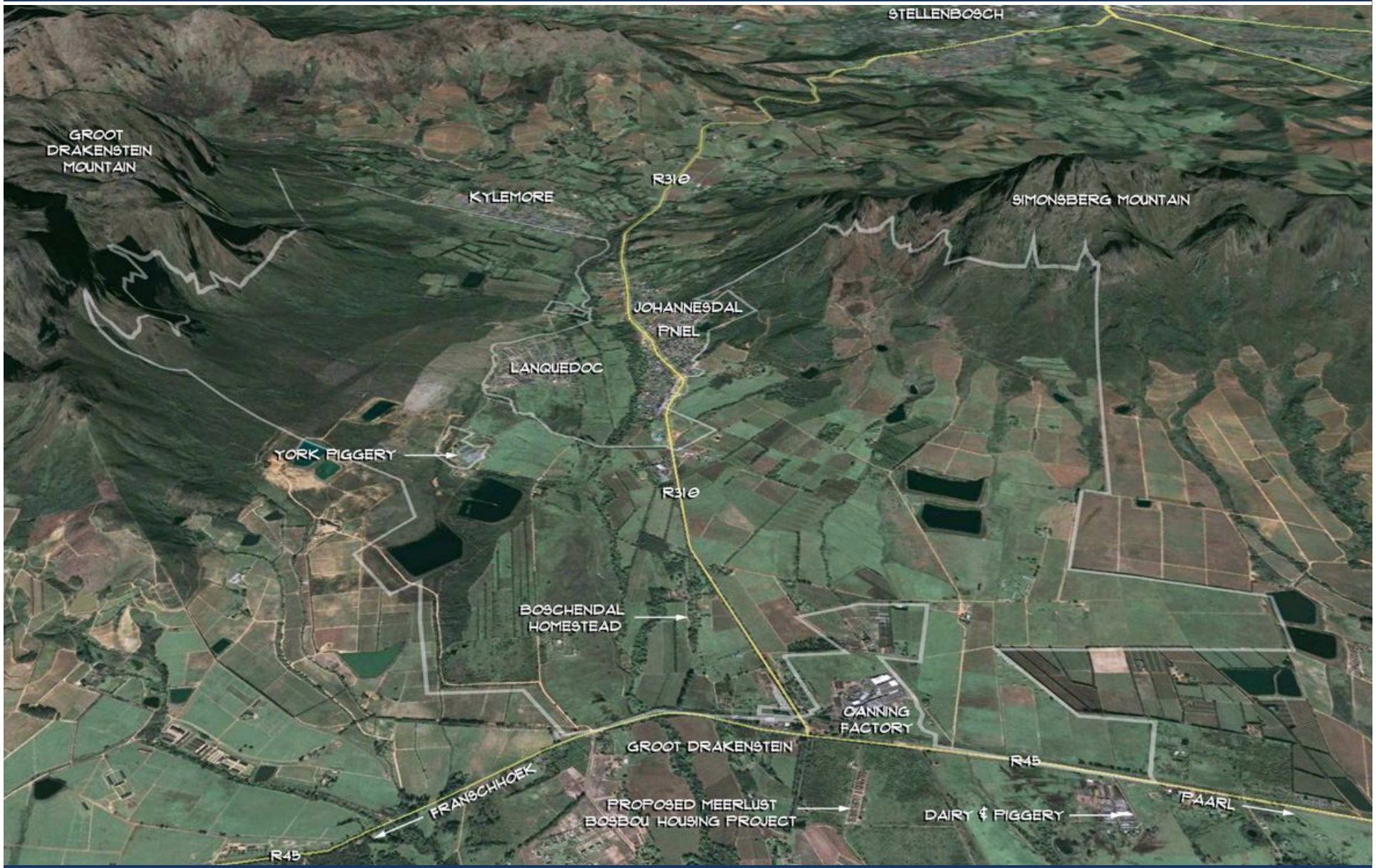




Boschendal – A Very Special Place

Situated in the Dwars River Valley, Stellenbosch, South Africa

Boschendal and Environs



Old Bethlehem Farm

Development Challenges: Agricultural subdivision

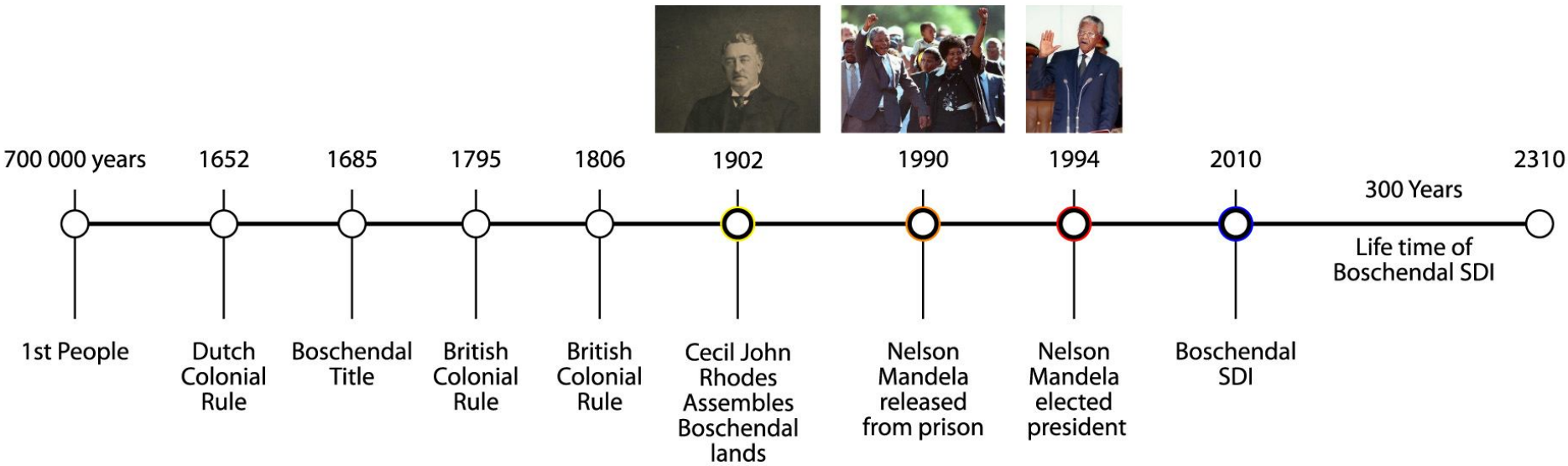
Development Challenges: Poverty, Employment & Housing

Development Challenges: Urbanisation

Development Challenges: Qualitative Housing

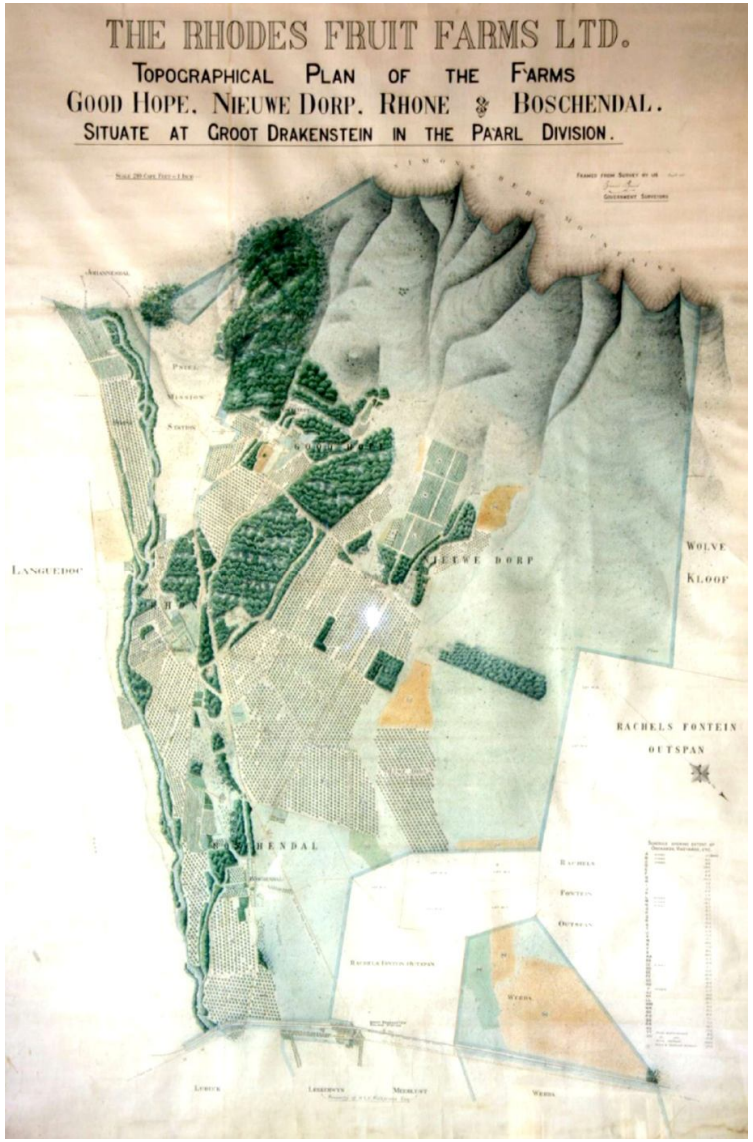
Historic Legacy: A 300 years of injustice & inequality

Tipping the scales: A 100 year chronology



The Foundation: Historic Links between Rhodes, Mandela, Oxford University and Boschendal

Cecil John Rhodes assembled the current Boschendal titles



Nelson Mandela

Nelson Mandela walked from a prison, approximately 5 miles from Boschendal , a free man in 1990.

This paved the way for the New South Africa and the empowering environment required for sustainability.

The Mandela Rhodes Foundation

Today we also have the Mandela Rhodes Foundation, a foremost African institution that aims to build leadership excellence in Africa by offering post-graduate bursaries to students from all African countries.

This foundation has close ties with the Rhodes Scholarships as well as Oxford University.

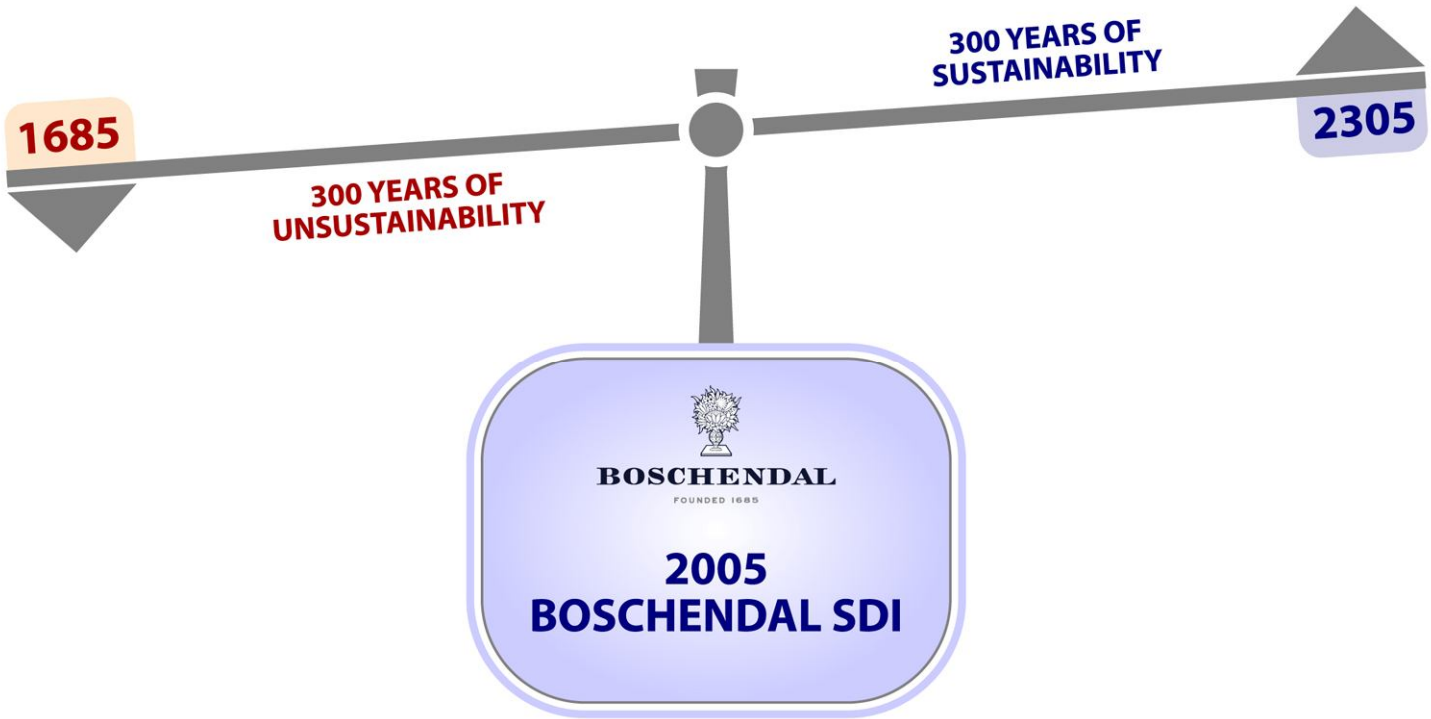
So, here we have a unique historical link between Rhodes/Mandela/Boschendal and Oxford.

THE MANDELA RHODES FOUNDATION

Oxford's inspirational story on sustainability

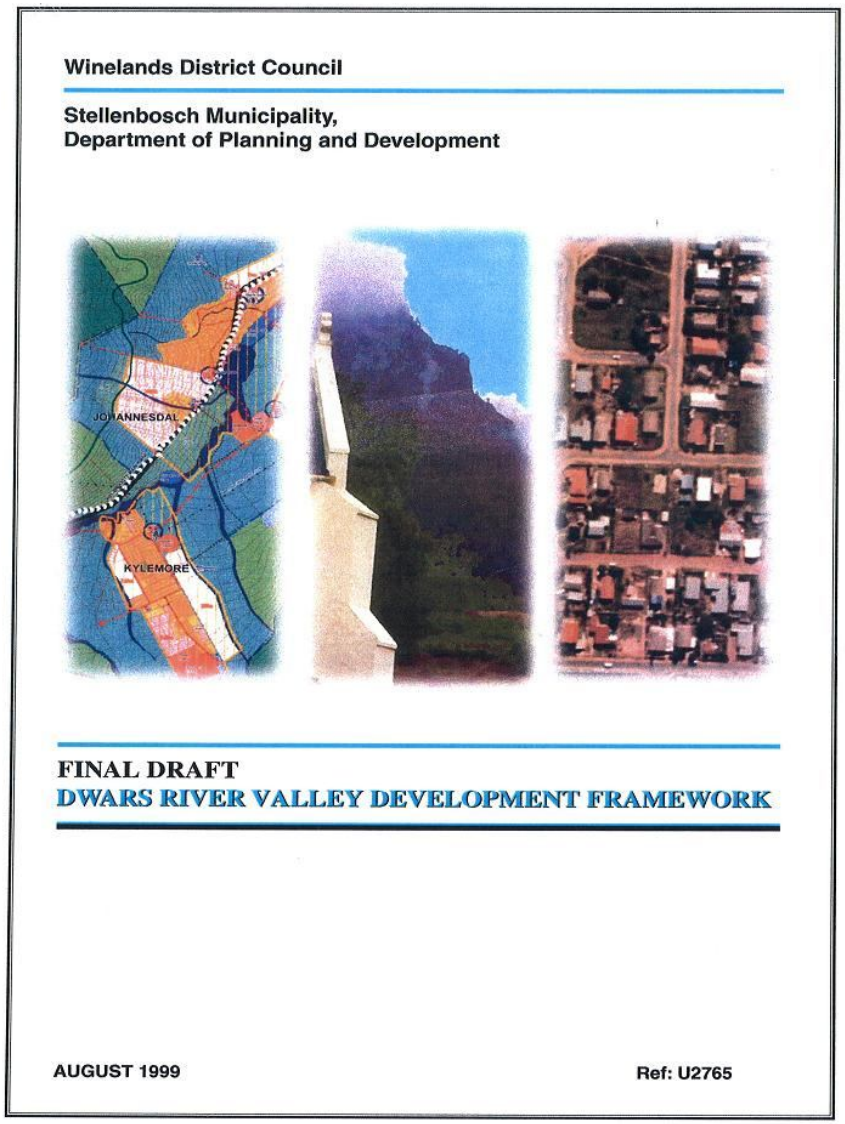
An interesting piece of history from Oxford University adds to this fascinating story and provides important lessons for the Boschendal Sustainable Development Initiative.

The Boschendal SDI: A 300 Year Plan



The BSDI is a strategic partnership between the Boschendal owners/investors and the local communities. This partnership aims to place Boschendal and environs on a path of environmental and economic sustainability that would result in the improvement of the natural and man-made landscape through the efficient use of capital and energy. This is to be achieved by ensuring that the means required are generated through the implementation of **efficient developmental and conservation programs.**

First Step: Dwars River Spatial Development Framework


Winelands District Council

Stellenbosch Municipality,
Department of Planning and Development

FINAL DRAFT
DWARS RIVER VALLEY DEVELOPMENT FRAMEWORK

AUGUST 1999

Ref: U2765

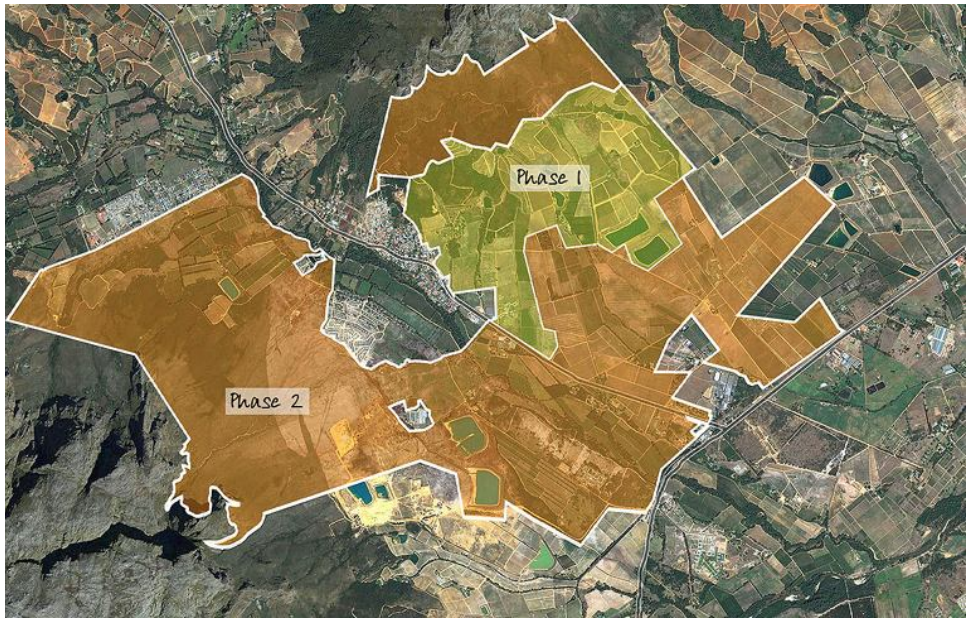
The first step commenced during the period 1997-1999 when the people in the Valley received their first opportunity ever to help prepare a common road map for a future in which they could trust.

This democratic process culminated in an official plan, namely the **Dwars River Valley Spatial Development Framework** (August 1999).

The Boschendal SDI was built on the foundations laid by this plan.

A number of other official planning documents were prepared since, which, in terms of the 'consistency principle' advocated in the Provincial Spatial Development Framework (PSDF), have to be recognised in the planning and development of the Valley.

Second Step: Sale of the Boschendal Lands



The second step was taken during 2002 when Anglo American Corporation, the previous owner of the Boschendal landholdings and the successor in title of Cecil John Rhodes, **decided to sell** its landholdings in the Dwars River Valley.

Anglo American Corporation incorporated the founding principles of the Dwars River Spatial Development Framework into the conditions of sale, thereby ensuring the continuation of the developmental vision of the local people for the Valley.

Consistent with the global imperative to promote sustainability the new owners of Boschendal approached this task with the conviction that, in order to achieve meaningful success as it relates to sustainable development, the communities must have opportunities to implement, manage, maintain and take part in developmental programs of their own, in partnership with others, and under conditions that have the support of both government and society at large.

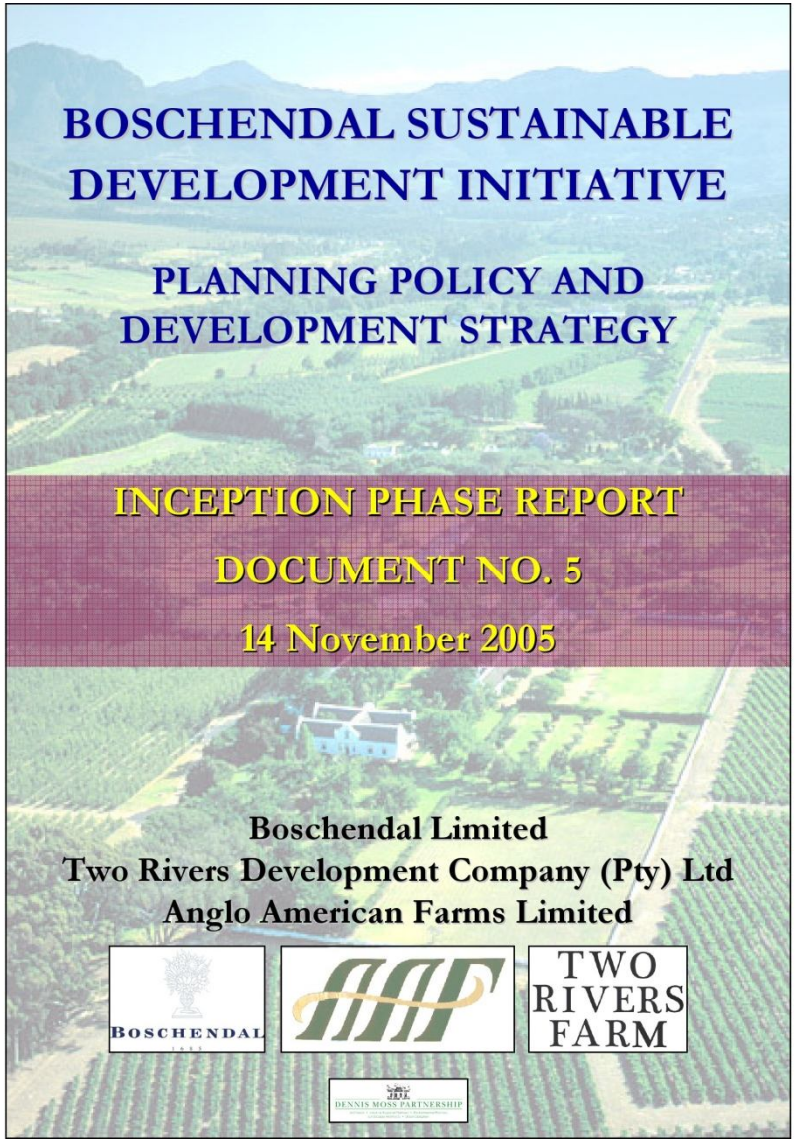
Boschendal accepted that, in order to give effect to this requirement, a robust community institution had to be created to help unlock the latent capacity of the local people and ensure sustained and successful implementation of community-based programs and projects.

Third Step: Approval of Boschendal Phase 1

This phase entailed the subdivision of 420 ha of agricultural land into 18 farms (and a farm management centre). The conditions of approval limit the rights of owners to the use of 4000m² of each farm for the construction of a single dwelling.

The remainder of the land is subject to a 99-year lease by a dedicated agricultural business entity, thereby creating and entrenching a consolidated farm of 420 ha, which is debt-free and has all the benefits that economy of scale provides.

Fourth Step: The Boschendal SDI Social Accord



It was recognized that the resource base of the valley (i.e. natural, monetary, infrastructure and social capital) would set the development frontiers and that external stimuli and investment were required to help unlock this resource base.

It was from this perspective that Boschendal embarked on an all-inclusive consultative process during 2003 which culminated in the inception of the Boschendal SDI and the subsequent signing of a social accord by an elected and properly constituted community forum, Anglo American Farms, and Boschendal on 14 November 2005. This social accord is entitled *Boschendal Sustainable Development Initiative, Inception Phase Report No 5 of 14 November 2005.*

The Boschendal SDI model evolved from this social accord.

Fifth Step: Cape Winelands Biosphere Reserve

The Cape Winelands Biosphere Reserve was approved by UNESCO on 18 September 2007.

This placed the Dwars River Valley and the Boschendal SDI, together with its exemplary programs, on the world stage.

The listing of the Cape Winelands Biosphere is based upon an agreement between the South African government and the United Nations (UNESCO). This agreement was endorsed by all the affected local authorities and the Provincial Government of the Western Cape. It also needs mentioning that the Boschendal landholdings include a portion of the Drakenstein Mountains which form part of the Cape Floral Regional Protected Areas World Heritage Site. Of further importance is that the Cape Winelands District Municipality within which the Dwars River Valley is located is a pilot study area of the National Spatial Development Perspective (NSDP).

Sixth Step: Formal Establishment of the BTT

The sixth step and major achievement was when a formal representative community forum, namely the **Boschendal Treasury Trust** (BTT), was registered as a Public Benefit Organization on 20 March 2008.

The BTT *inter alia* was to serve as the **curator and treasurer** of the capital stock that would accrue to the communities and as the representative of their collective conscience.

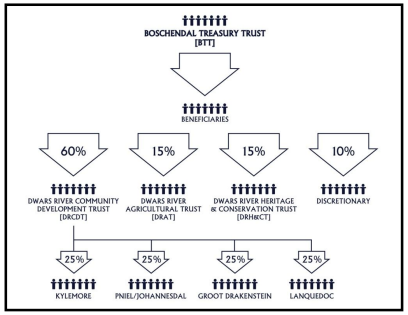
For the first time in more than 300 years, the previously disadvantaged communities of the Dwars River Valley now have a collective **voice and a platform** for socio-economic development and empowerment upon which sustained progress and dignity can be built.

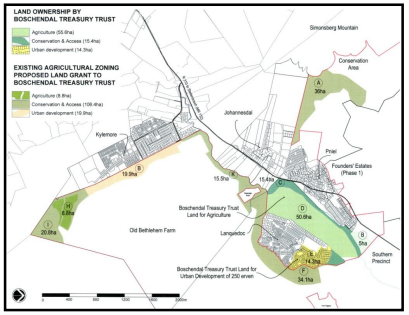
SUSTAINABILITY FINANCE - BOSCHENDAL

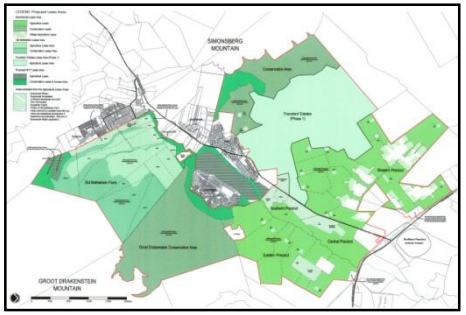
Sustainability Finance = Monetary + Infrastructural + Environmental + Social Capital

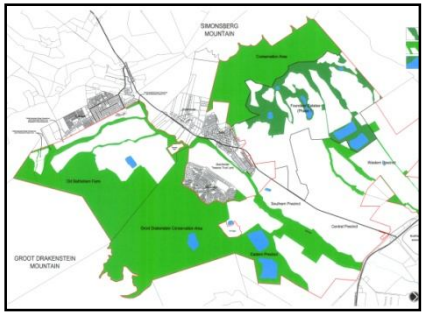
Recipient: Boschendal Treasury Trust

- **CASH FROM SALES**
- **PROPERTY GRANTS**
- **300 YEAR AGRICULTURAL LEASE**
- **300 YEAR CONSERVATION LEASE**









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Sustainability Finance = Monetary + Infrastructural + Environmental + Social Capital

Recipient: Boschendal Treasury Trust

CASH FROM SALES

5% of sale price of all property (upon first transfer) to the BTT

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0.5% of sale price of all subsequent transfers (in perpetuity) to the BTT

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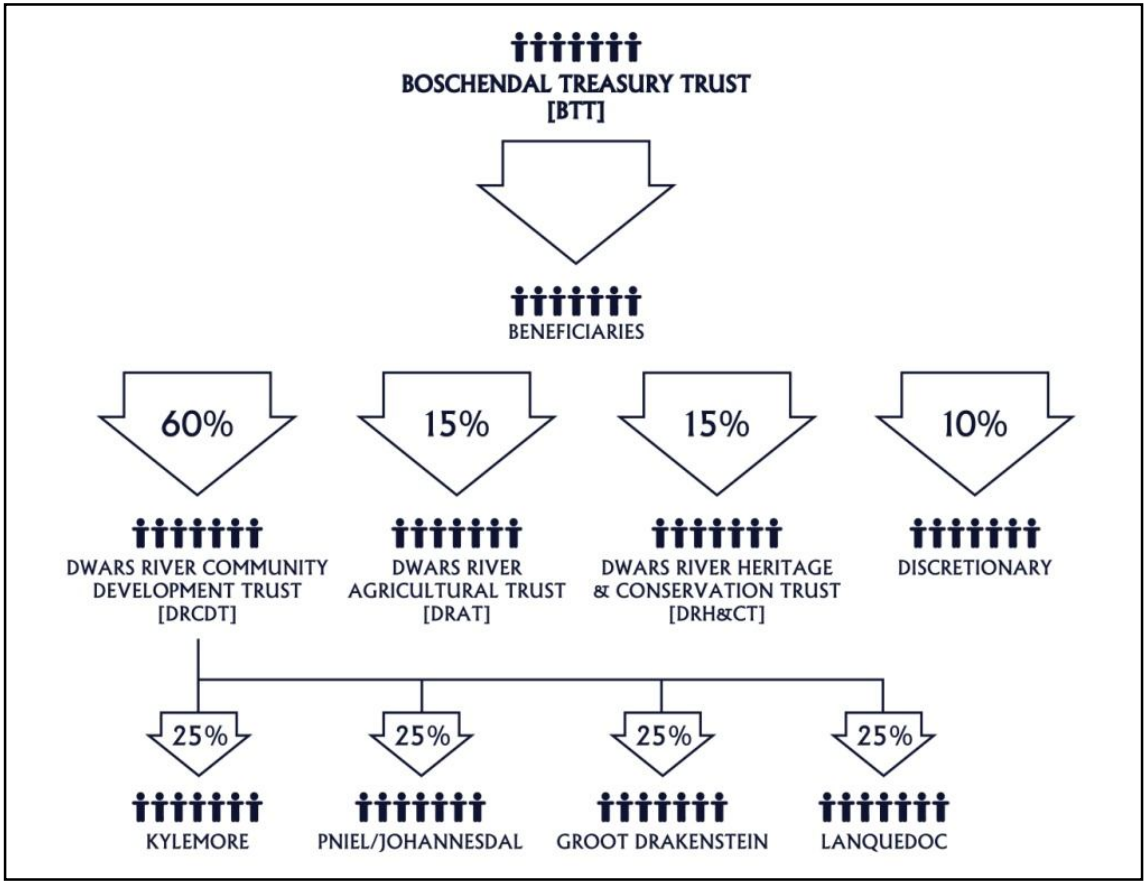
Expected income of sales to BTT after first transfers £10 million



SUSTAINABILITY FINANCE - BOSCHENDAL

Sustainability Finance = Monetary + Infrastructural + Environmental + Social Capital

Recipient: Boschendal Treasury Trust

PROPERTY GRANTS

Donation of 220 ha land earmarked for: Agriculture, Conservation, Access & Urban Development

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55 ha of Agricultural land already transferred

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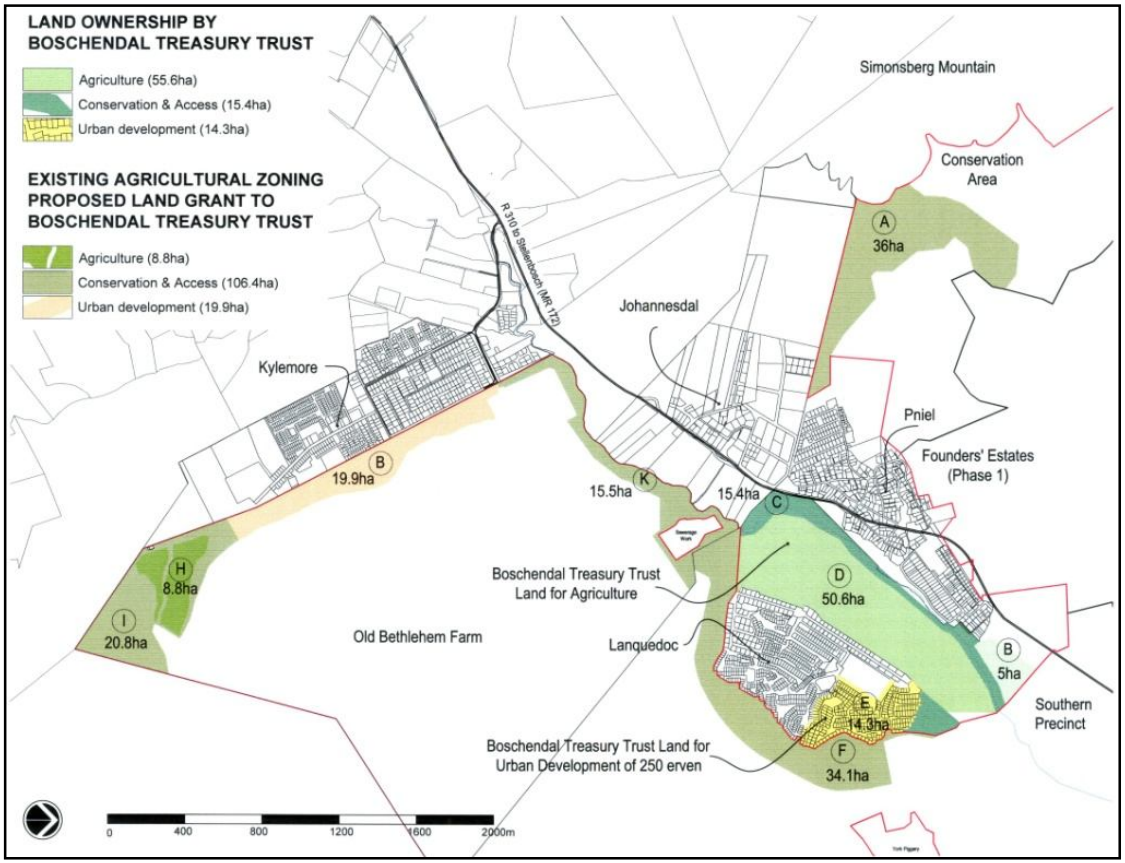
Remainder of land to be transferred upon approval Boschendal SDI Phase 2



SUSTAINABILITY FINANCE - BOSCHENDAL

Sustainability Finance = Monetary + Infrastructural + Environmental + Social Capital

Recipient: Boschendal Treasury Trust

300 YEAR AGRICULTURAL LEASE OVER 1000 HECTARES

Land Reform:
Lease structure provides for Boschendal Treasury Trust shareholding

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Economic empowerment through agricultural enterprise

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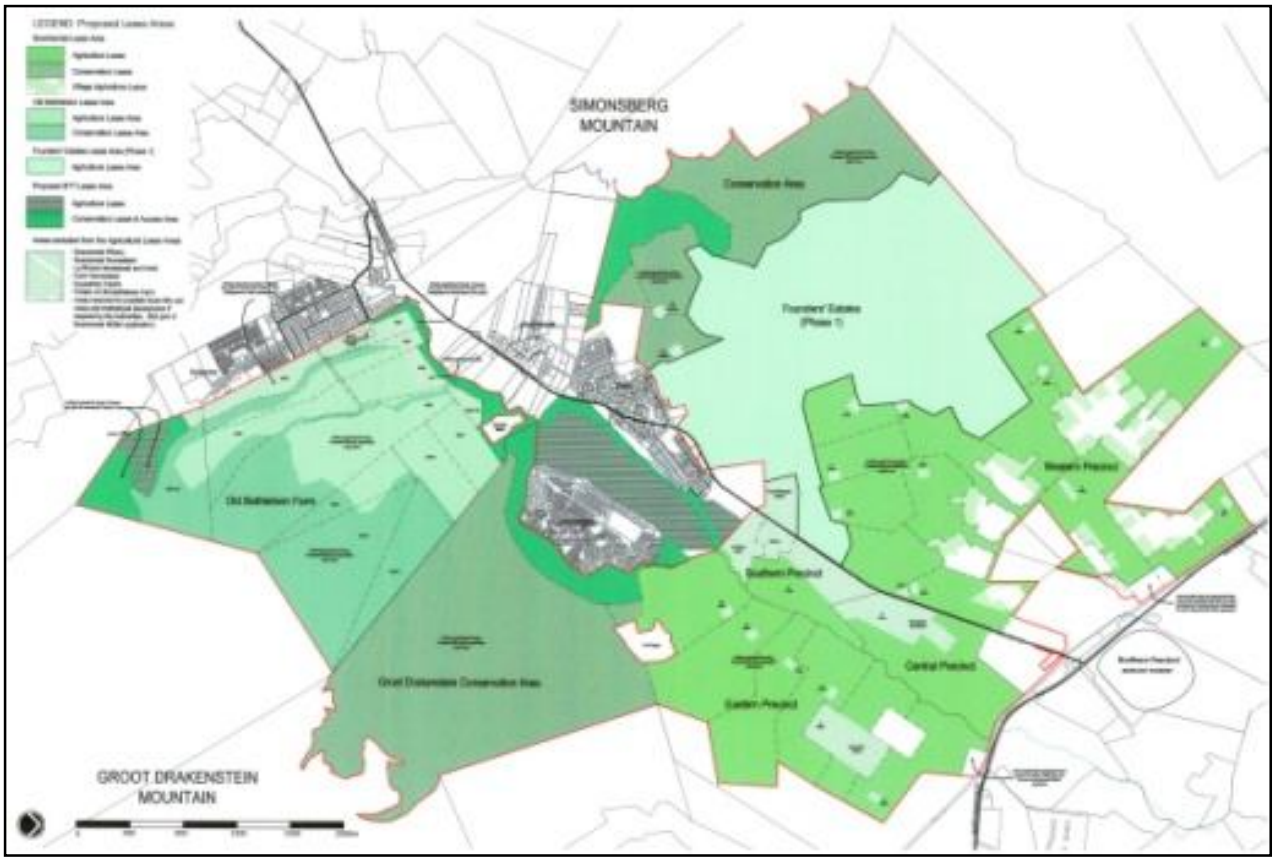
Community Supported Agriculture Initiative



SUSTAINABILITY FINANCE - BOSCHENDAL

Sustainability Finance = Monetary + Infrastructural + Environmental + Social Capital

Recipient: Boschendal Treasury Trust

300 YEAR CONSERVATION LEASE OVER 1000 HECTARES

Land Reform:
Lease structure provides for Boschendal Treasury Trust shareholding

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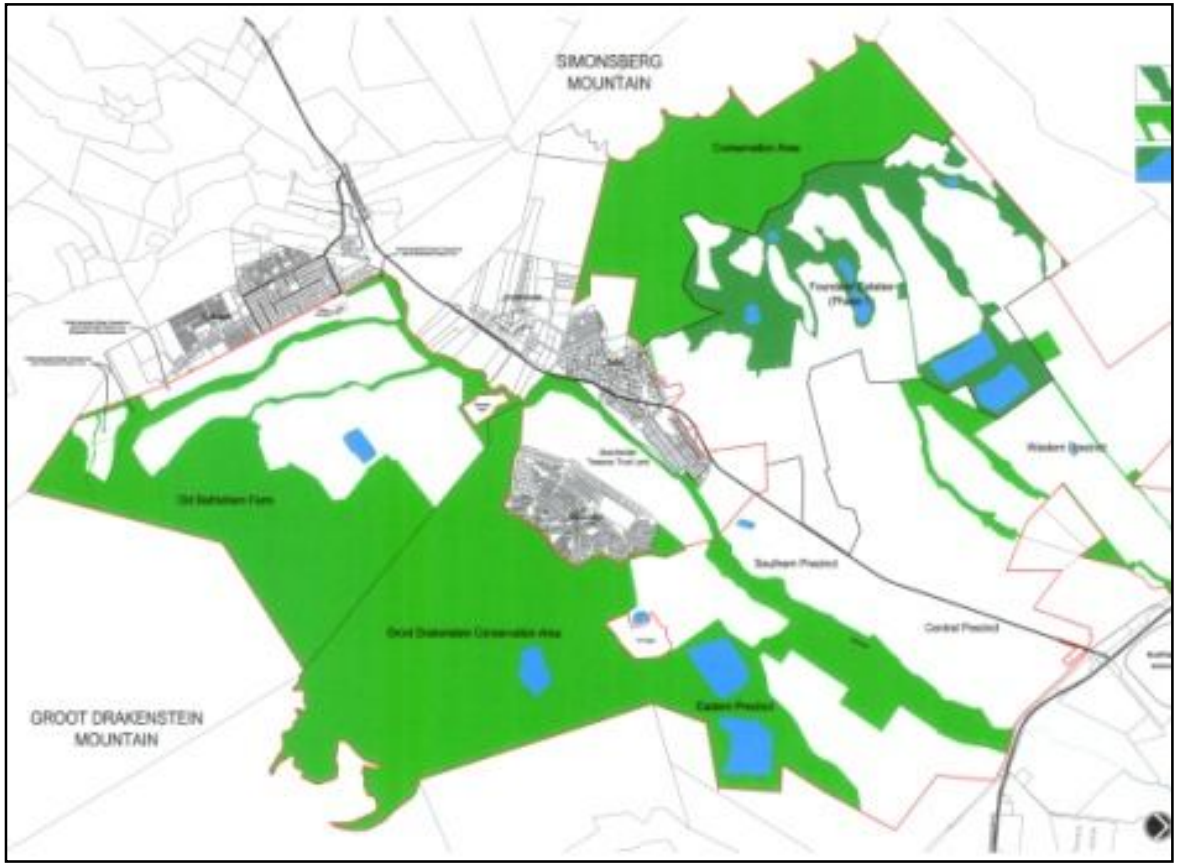
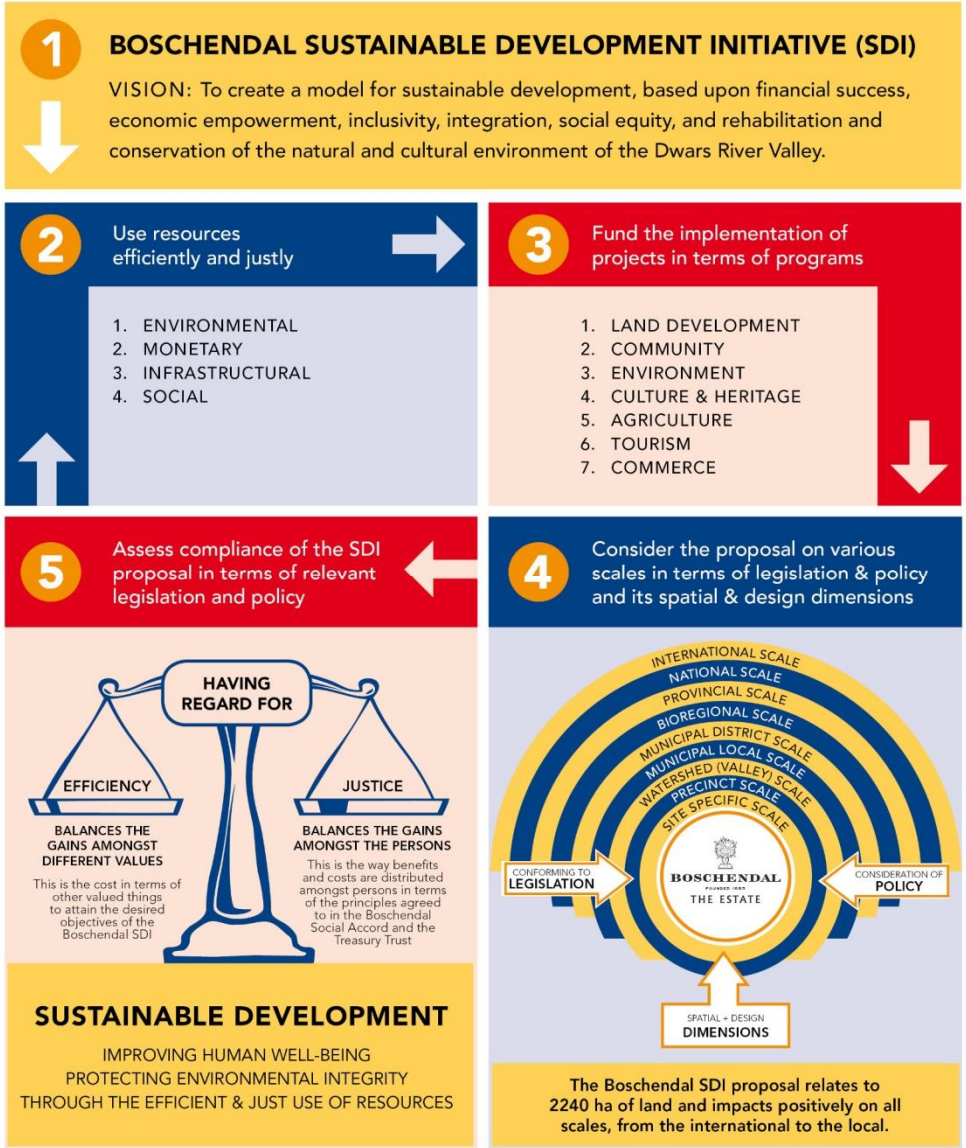
Direct access between 3 villages

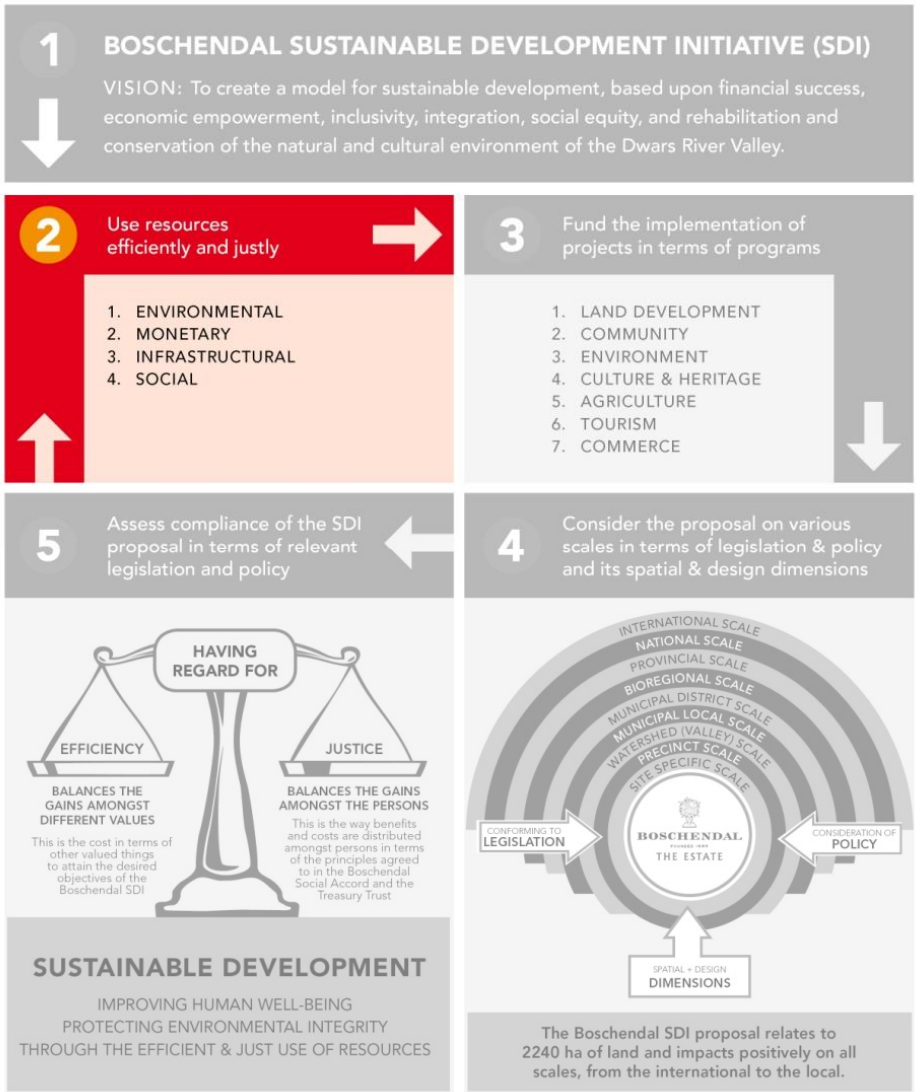
•



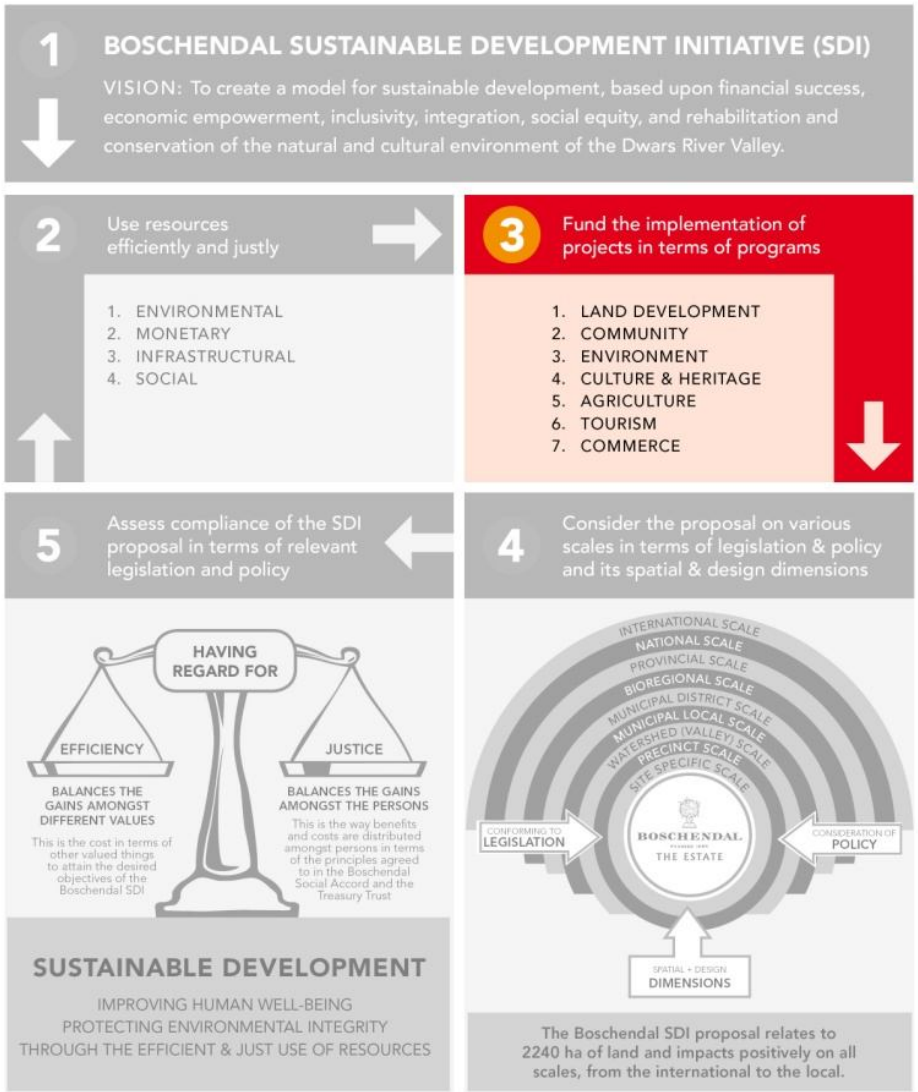
Planning and Implementation Methodology



Boschendal Phase 1: Employment of Capital



Fund the implementation of projects in terms of programs



Boschendal SDI Programs & Projects

The net result of the Phase 2 proposal is that, upon approval, effect would be given to the implementation of seven ground-breaking and exemplary socio-economic and conservation programs, namely:

1. Land Development
   Main Economic Driver
2. Community
3. Environment
4. Culture & Heritage
5. Agriculture
6. Tourism
7. Commerce

Program 1: Land Development

Approximately 1% of the area of the valley to be utilised for urban development in four development precincts:

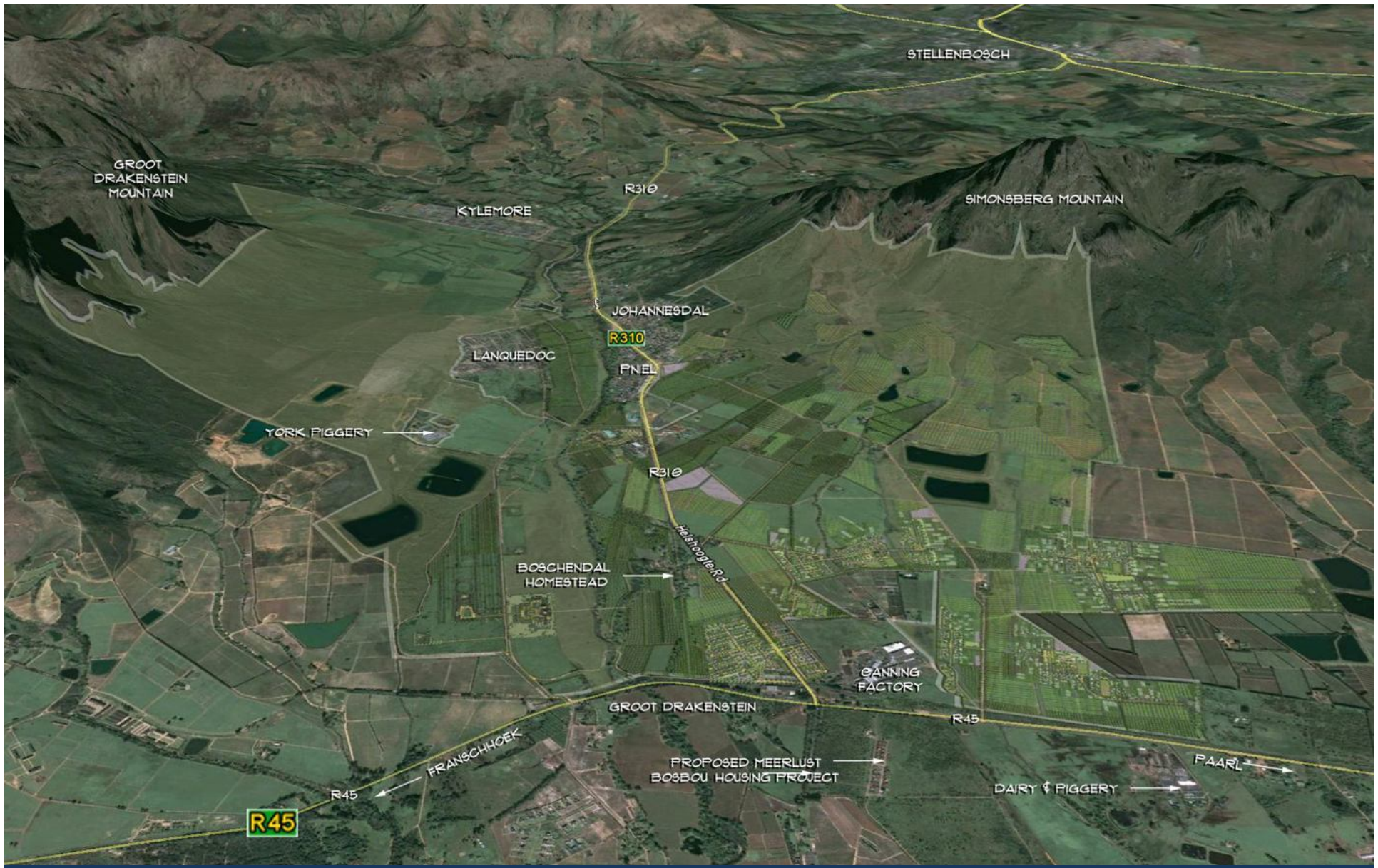
1. Retirement Village and Commercial Node
2. Three agricultural villages including boutique hotels
3. Equestrian Centre and boutique hotel
4. Five star hotel

Approximately 750 residential units to be developed that provides all monetary capital.

Land development program includes urban renewal of existing villages and support for development of new housing through the Boschendal Treasury Trust.

Land Development on Boschendal

Land Development on Boschendal



Land Development: Typical Village

Land Development: Typical Village

Land Development : Typical Village

Land Development: Typical Village

Land Development on Boschendal

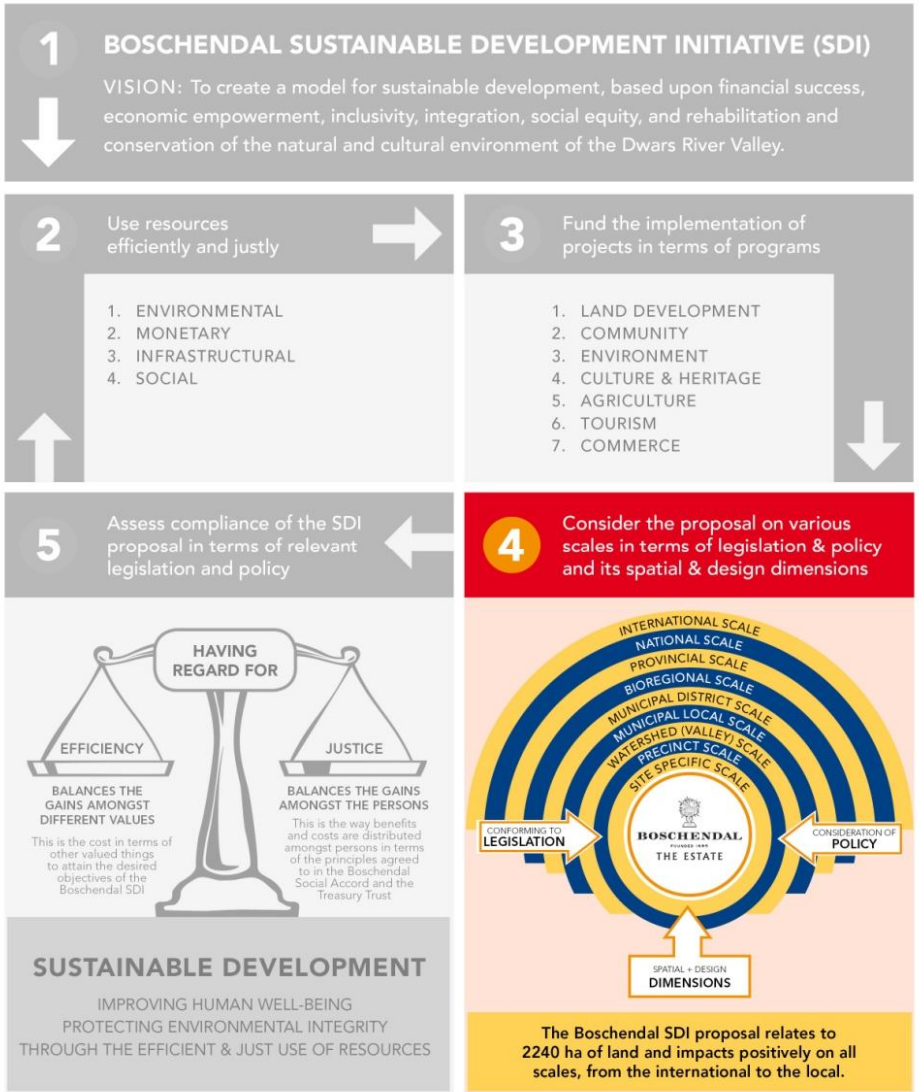
Land Development: Commercial Centre

Land Development: Retirement Village

Land Development: Le Rhone 5-star Hotel

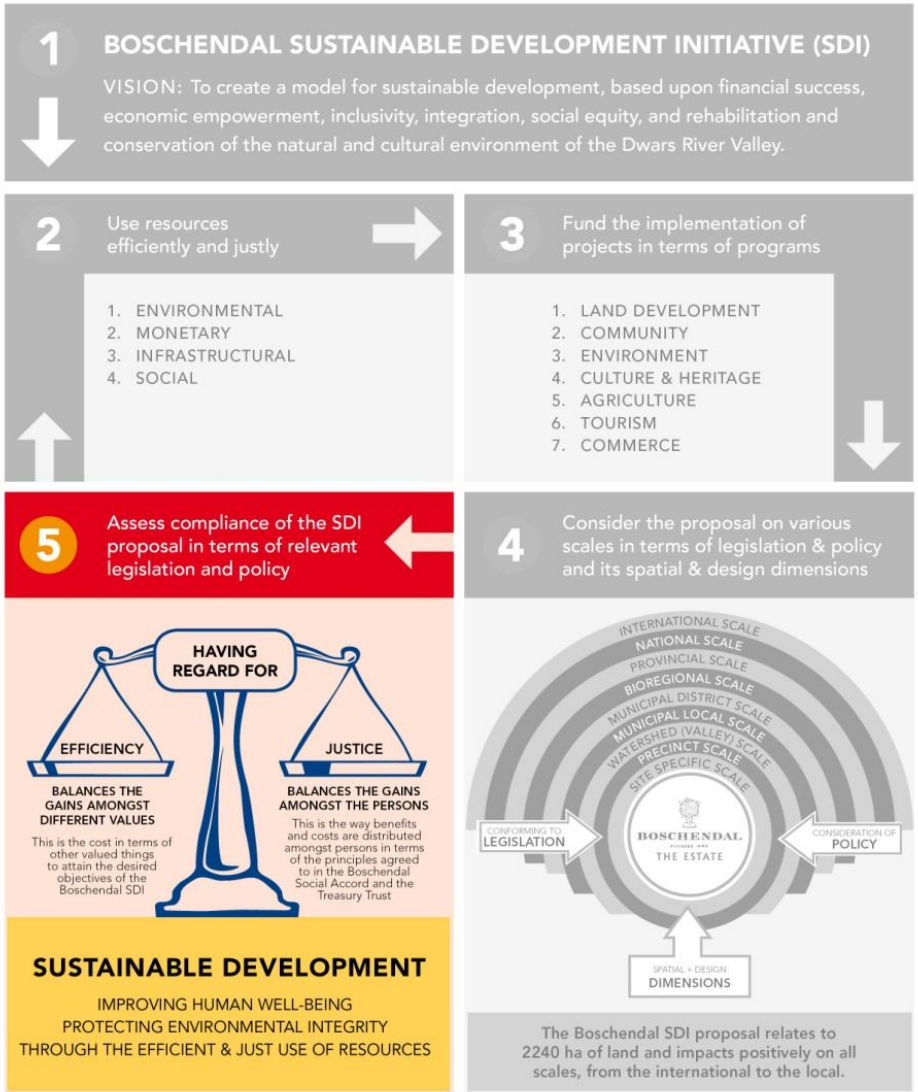
Land Development: Equestrian Centre

Consider sustainable development on various scales in terms of legislation and policy



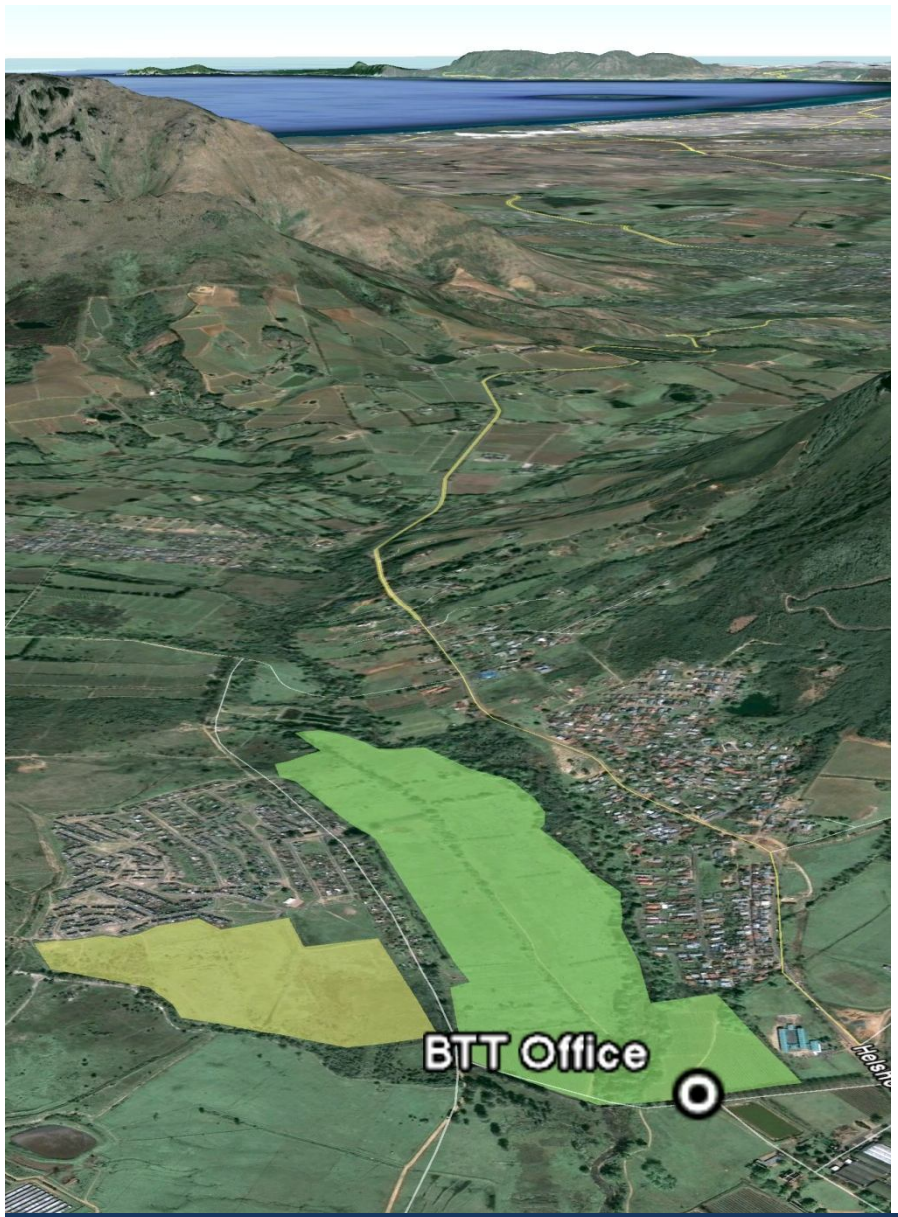
Think Globally
Act Locally

Assess compliance



Measure efficiency and justice

An empowered Boschendal Treasury Trust



Since the approval of Phase 1 of the Boschendal SDI, the BTT has taken transfer of 55 ha of prime agricultural land as well as 14 ha of urban development land in Lanquedoc.

The BTT has its own office, approximately £250,000 in funds, and assets of approximately £4 million.

All of this has been the direct result of the Boschendal SDI.

In a spirit of partnership Boschendal (Pty) Ltd, and the local communities, through the Boschendal Treasury Trust, are preparing a detailed plan and strategy for implementation.

AN EXEMPLARY MODEL

The Boschendal SDI is presented as an exemplary model and a mechanism to give practical effect to these global challenges, on a scale, and in a place that can capture the attention of the world. This initiative can make a meaningful contribution to the development of a greater understanding of how to tackle local challenges within a global context.

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