

# Impact Investment Analysis

## MAYIBUYE GAME RESERVE



Investments  
Advisory  
Consulting



*Mayibuye*  
GAME RESERVE



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## ABOUT US

Impact Capital Africa (ICA) seeks to balance the financial returns of investments and equities with positive impacts and returns on social and natural capital.

# LARRY FINK

*Chairman and CEO of BlackRock*

*"Sustainable investing will be a core component for how everyone invests in the future. We are only at the early stages"*

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## WHAT WE DO

- Impact finance brokering and advisory
- Impact due diligence and reporting
- Impact investment and private equity

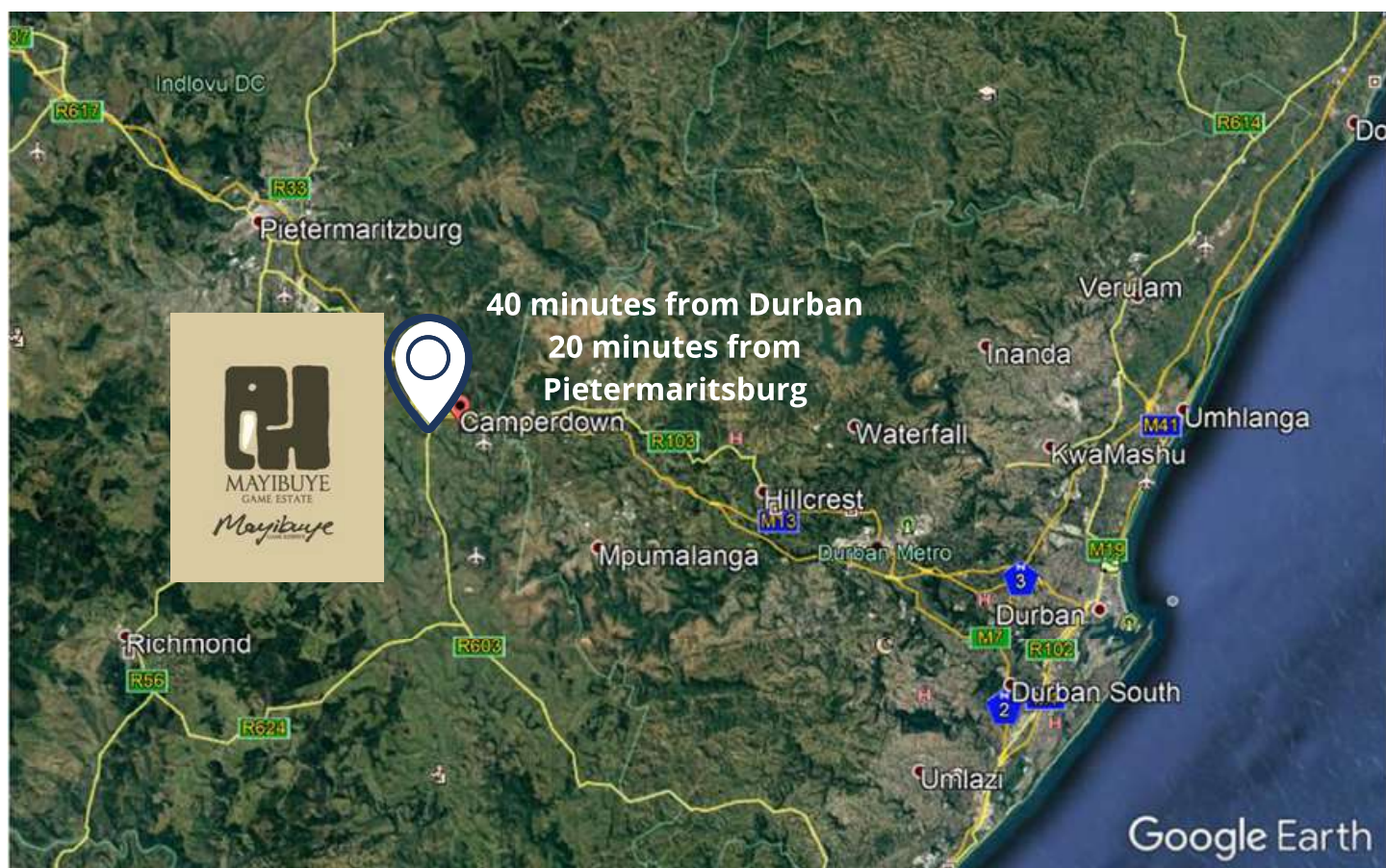
## OUR BUSINESS MODEL

Redefining sustainable impact investments and their returns, while reducing risk.

## ABOUT MAYIBUYE GAME RESERVE

The 4 800Ha Mayibuye Game Reserve is located approximately halfway between Durban and Pietermaritzburg and is immediately north of Camperdown. The reserve constitutes the minimum size property required for a Big 5 game reserve. The game reserve has been assessed by the Ezemvelo KZN Wildlife Stewardship Programme and was accorded the status of a “Private Game Reserve”, the highest accolade possible. The land is owned by the Mayibuye Community Trust who has entered into a joint venture with the private sector.

As it is 15 minutes from Hillcrest and 20 minutes from Pietermaritzburg, it is ideally positioned to be commutable to both these centres, if not Durban as well. The new King Shaka Airport is a 55 minute drive and the Oribi Airport in Pietermaritzburg a 20 minute drive. The site is natural KwaZulu Natal forest, shrub and bush-land, ideally suited to a game reserve. The area is malaria free which is a substantial benefit when considering both the tourism and the residential component. Mayibuye also includes approval for a commercial game breeding centre, an ecofarm and contains environmentally sensitive areas of high conservation value.





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## BACKGROUND AND TENURE

The land has been secured on a 99 year lease from the Mayibuye Community Trust, the land owners. The local community, the Ximba people, were awarded a land restitution claim in terms of a settlement agreement in April 2007. The land was restored to the Mayibuye Community Trust, an *inter vivos* trust, the beneficiaries of which are the land claimants. After extensive consultation with the community and other strategic partners, it was agreed that the land would be developed into a game reserve with a component of a residential / commercial property, not exceeding 10% of the land, to be sold as freehold sites.

All the properties included in the project were originally zoned for Agriculture. They needed to be rezoned to facilitate the development. Environmental approval necessitating an environmental impact assessment (EIA) was required before a submission was made under the Planning and Development Act (PDA) for planning approval. The decision confirming the environmental authorization was completed in November 2012. The land was released from agriculture in August 2013 and the final rezoning was completed in December 2013. This is significant as many other developments in the area initiated before Mayibuye are still awaiting their environmental authorization.



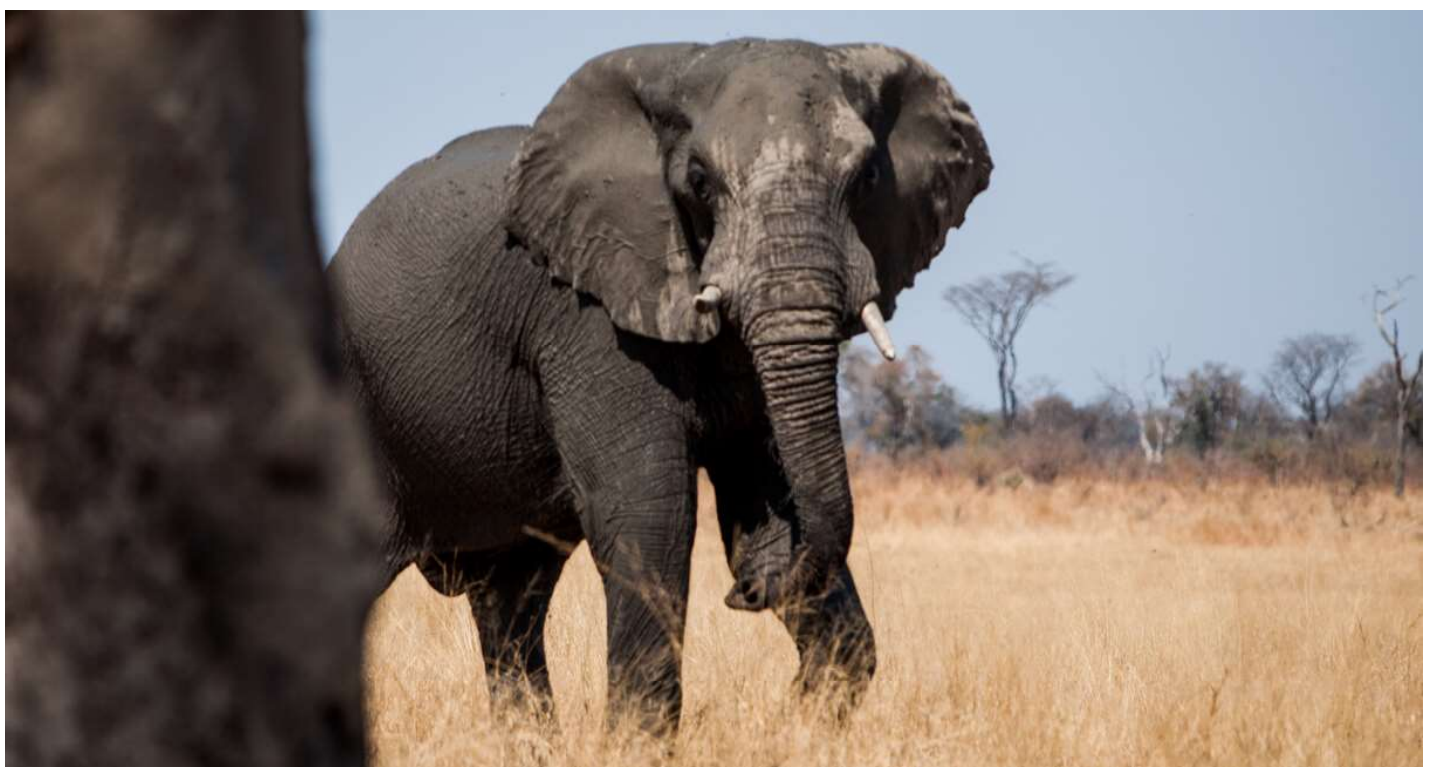
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## IMPACT INVESTMENT OPPORTUNITY

A R439 million investment into the Mayibuye Game Reserve, providing a diversity of revenue streams from agriculture, tourism and residential development. The investment will provide new economic opportunities to an area that suffers from 99% of its population living below the poverty line. This in turn would reduce the dependence on social grants and seek to increase the average household income per person from only R327 per month. This project will also increase the value of the land through increasing the natural capital, mainly through improved conservation efforts, land rehabilitation, sustainable agriculture and the reintroduction of wildlife into the reserve.

The Mayibuye Wildlife Estate will consist of 187 free standing 1 Hectare sites on which residential properties will be established. There will be a further 120 Life-style village sites. The tourism sites will consist of a 120 bed lodge with conferencing facilities and a two further 12 bed lodges. The reserve will also include 18 commercial sites, that will include shops and office facilities. The agriculture element consists of fruit, cattle and innovative climate smart eco-farming techniques. This initiative will create in excess of 640 permanent jobs, at least 56 small business opportunities and create equity for local communities in a new local economy.

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# MAYIBUYE GAME ESTATE - RESIDENTIAL

GATE | HOUSE



EXTERIOR | FACADE



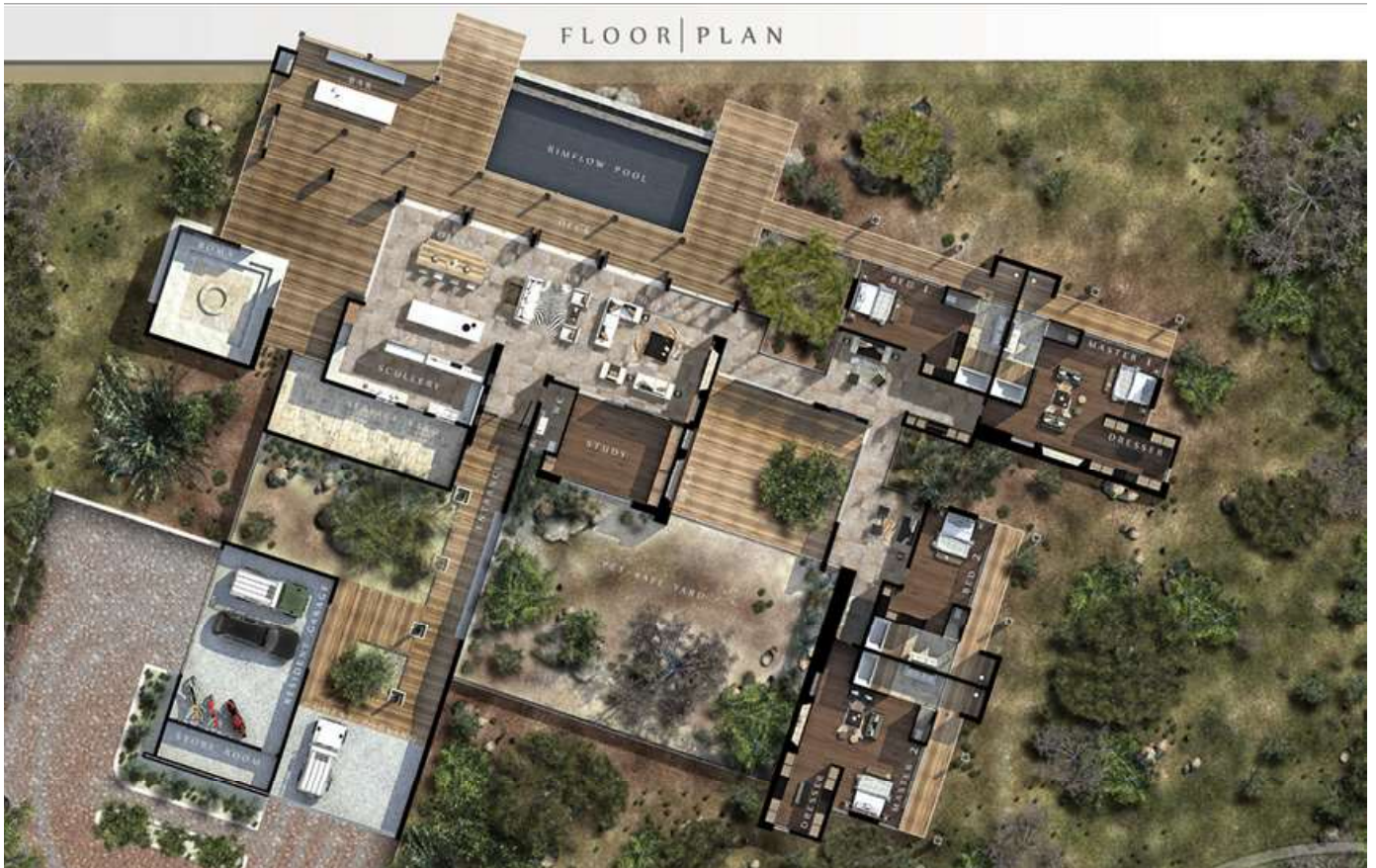


# MAYIBUYE GAME ESTATE - RESIDENTIAL

OVERHEAD | PERSPECTIVE



FLOOR | PLAN





# MAYIBUYE GAME ESTATE - SITE MAP





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# IMPACT INVESTMENT DETAILS

## CAPEX OVERVIEW

This impact investment is made up of three sectors within one opportunity, namely residential, tourism and agriculture. The capex required for the residential and tourism development will be blended for the infrastructure of all the sites. The Capex required for the residential and tourism opportunity is R249 million. This is for the full infrastructure development and complete stocking of the Wildlife Estate. The investment includes the purchase and infrastructure development of the residential, tourism and commercial stands but not the building of the homes, lodges or commercial structures themselves. The investment is secured against the titles of the 328 sites. The expected ROI of the tourism and residential opportunity is 28% within a 5 year period, generating a profit of just under R70 million in 5 years.

The agriculture investment requires a Capex of R190 million for the development of the following assets:

- Mayibuye Blueberry Farm
- Mayibuye Pomegranate Farm
- Mayibuye Cattle Farming
- Mayibuye Climate Smart Ecofarm
- KZN Wildlife Economy Business (KWEBI) Incubator

The agriculture business is a long term investment, unlike the residential and tourism assets, whereby investors can expect to exit within 5 years. The IRR of the Agriculture business is 5% over ten years, generating long term profits and dividends for committed investors.

*"The Mayibuye development is set to have a major impact on conservation, eco-tourism, job creation and socio-economic development of local communities within the Mkhambathini Local Municipality, and furthermore, could establish a local economic development model that could be replicated in rural areas throughout southern Africa, and even further afield in Africa."*

**Brett Wallington**

**Managing Director of Impact Capital Africa**

# MAYIBUYE GAME ESTATE

## IMPACT INVESTMENT SUMMARY ANALYSIS

### CORE IMPACT SDG INVESTMENT GRADE



AA

### CORE POSITIVE IMPACT FINANCE RATING



79%

The Core Impact SDG Investment Grade and the Core Positive Impact Finance Rating are based on a robust, credible and powerful tool developed by Impact Capital Africa. The tool links the UN's Sustainable Development Goals (SDGs) to the UNEP FI's Positive Impact Principles. It evaluates the potential and real impact a project or portfolio will or does have, allowing investors to balance their returns with that of the socio-economic and environmental impact their investments have. The UNEP FI's Positive Impact Finance constitutes a direct response to the challenge of financing the SDGs.

### OVERALL IMPACT SDG INVESTMENT GRADE

A

### WEIGHTED AVERAGE POSITIVE IMPACT FINANCE RATING



67%

The Overall Impact SDG Investment Grade and the Weighted Average Positive Impact Finance Rating takes a holistic view of the investment or portfolio across all of the criteria of the UNEP FI's Positive Impact Principles and related SDGs. Based on a weighting algorithm that considers what is the most important to least important impact of this particular project or portfolio, the analysis returns a weighted average of the positive impact finance rating and an overall SDG investment grade.



### SOCIO-ECONOMIC AND ENVIRONMENTAL OVERVIEW

- **Social** - Create a total of 642 jobs of which 252 are direct and 390 indirect, improving the socio-economic status of approximately 1 012 people on KZN.
- **Economic** - Generate in excess of R360 million in sustainable economic activity while also catalyzing the growth of 56 SMMEs.
- **Environmental** - Restore approximately 3 795 Ha of land currently degraded.



## CURRENT STATUS - MARCH 2020

Full planning and environmental approvals have been received and all 50kms of the big 5 game fencing has been erected. The Mayibuye Game Reserve gate house is 60% complete and offices partially built. Two houses have been refurbished into project offices and a training centre. A limited amount of wildlife, including a zebra and wildebeest, have been reintroduced. Almost 80 job opportunities have been created and 15 field rangers trained and employed.

**The following funding has been secured for the next 3 years for the Mayibuye Game Reserve development:**

- National Skills Fund of R3.8m for skills development of 125 community members (in progress).
- Department of Environmental Affairs – Natural Resource Management (DEA-NRM) of R7m for landscape restoration (in progress).
- MAVA Foundation of R1m for leadership development of 30 community leaders.
- The Department of Environment, Forestry and Fisheries (DEFF) have provided funding of R2.5m over 3 years for 15 Environmental Monitors.

**Funding awaiting approval:**

- Wildlife Incubator (KWEBI) with an annual investment of R15m p.a. for 3 years. This investment depends on the final confirmation of funding through the sustainable food production initiative.
- Shortlisted for Motsepe Foundation funding of R42.5m for red meat production, including venison on Mayibuye Game Reserve.
- Skills for Africa Initiative (SIFA) to potentially fund the Mayibuye training centre, awaiting approval of concept.
- The Climate Smart Ecofarm awaiting a potential private investment of R12m.

### MAYIBUYE PRIVATE GAME RESERVE BRANDS



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## FOR MORE INFORMATION, CONTACT:

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# DEFINITIONS

Description	Positive Impact Finance Rating	SDG Impact Investment Grade
A negligible to no positive impact whereby the project does not deliver on Principle One of the UNEP FI Positive impact finance framework. The project does not deliver a positive contribution to one or more of the sustainable development pillars (economic, environmental and social), whilst also not having any evidence of mitigating or having management plans in place to avoid any potential negative impacts that could undermine the investment.	Negligible to no positive impact	BB
A minor positive impact, that only in a few cases (below 50%) delivers on Principle One of the UNEP FI Positive impact finance framework, partially delivering a positive contribution to one or more of the sustainable development pillars (economic, environmental and social), whilst also not having enough evidence of mitigating or having management plans in place to avoid any potential negative impacts that could undermine the investment.	Minor positive impact	B
A good positive impact, that for the most part delivers on Principle One of the UNEP FI Positive impact finance framework, and majority of the project delivering a positive contribution to one or more of the sustainable development pillars (economic, environmental and social), whilst also mitigating or having management plans in place to avoid any potential negative impacts that could undermine the investment.	Moderate to good positive impact	A
A significant and very positive impact that delivers on <i>Principle One</i> of the UNEP FI Positive impact finance framework, delivering a positive contribution to one or more of the sustainable development pillars (economic, environmental and social), whilst also mitigating any potential negative impacts that could undermine the investment. The impact may result in permanent positive change that will unlock value and contribute as a direct response to the challenge of financing the SDGs.	Major positive impact	AA

Weighting scale			
1	2	3	4
Not a focused impact of the project and unsure if the project will contribute to the impact desired.	Known indirect impacts from the project that are positive, but are mostly associated impacts as a result of this project.	Important impact area of the project, where the impact is important element of the project.	Key impact area of the project, where the project aims to solve this SDG at the defined spatial scale.