



**IMPACT
CAPITAL
AFRICA**

Investments
Advisory
Consulting



Corporate Social Impact Investment Portfolio

Presented by Impact Capital Africa

In collaboration with Ubuntu Wilderness NPC



UBUNTU
WILDERNESS

ABOUT

The Corporate Social Impact Investment Portfolio

The Corporate Social Impact Investment (CSII) Portfolio offers a unique and diverse group of assets that will generate significant positive social, economic and environmental impacts. Large corporate extractive based companies are invited to invest through a blended structure of CSI and other goodwill capital to **offset negative impacts**.

The investing corporate will benefit from receiving tax deductions through their CSI budget, as well as **improve their B-BBEE** status through the enterprise development and socio-economic development pillars. The investing corporate will also have **first rights to the carbon credits** produced by this portfolio, providing a discounted carbon offsetting programme from the initial CSII engagement.



ECOTOURISM CONSERVATION ASSETS

The Samara Private Game Reserve is a well known luxury safari operator, with the highest land-to-guest ratio in the South African market, making it a leader in low volume, low impact, high revenue safaris. The proposed expansion of the tourism offering is well supported by market research and will enable the local community to gain an equity stake in the conservation assets, which reduces any poaching risk as a result of the economic benefits derived.

REGENERATIVE AGRICULTURE

Samara is well-positioned to take advantage of the demand for grass-fed beef and lucerne in the region and further afield. The focus on regenerative agriculture will ensure the environmental sustainability of the farming operation. The farming assets will contribute to further employment opportunities as well food security, locally and across South Africa, while creating a diverse revenue stream for the Samara conservation area and community.

SPEKBOOM RESTORATION CARBON PROJECT

Samara is uniquely located to contribute to the resurgence of the carbon tax market. The plant *Spekboom* has one of the highest carbon sequestration potentials in the world, which naturally occurred on Samara but has since been overgrazed. This project offers a significant carbon offset opportunity to mitigate carbon tax expenses, but does require an initial grant to initiate the Spekboom restoration programme.



Offsetting with Natural Capital +Impact

A key positive impact investment to strategically offset a corporate's negative environmental impact, which contributes to conserving 5 of South Africa's 9 vegetation biomes present on the property.



Enabling Ecological Restoration

The Great Karoo Mega-Reserve proposes to link the Camdeboo National Park with Mountain Zebra National Park through partnerships with private landowners. These ecological corridors will be surrounded by buffer zones of conservation friendly private areas such as the Mountain Zebra – Camdeboo Protected Environment proclaimed in 2016.



Improving Corporate Reputation & B-BBEE

This CSII portfolio will provide the investing corporate with exclusive branding rights of the associated +impacts and the use of data in their integrated or annual reports

ABOUT

The Samara Private Game Reserve

The Samara Group is best known for the Samara Private Game Reserve – a globally-acclaimed & award-winning Big Five reserve in the Eastern Cape with significant growth potential in ecotourism and regenerative agriculture. The Samara Game Reserve operates two lodges that hosts 26 guests on 27,186 hectares of born-again Big Five wilderness – a land-to-guest ratio almost unparalleled in Africa.

It is in the Eastern Cape Province, just 2.5 hours drive from Port Elizabeth Airport, which is serviced daily with flights from/to Cape Town & Johannesburg.

Samara represents a globally-significant conservation undertaking as the largest private reserve in the Eastern Cape Reserve, which exhibits a vast diversity of ecosystems, topographies and natural resources in the timeless region known as the Great Karoo.

Located within one of 36 Global Biodiversity Hotspots, Samara contains 15 endemic vegetation types and is a stronghold for the near-endemic Black Wildebeest, Blesbuck & Cape mountain Zebra, whilst furthermore being home to other threatened wildlife – such as Cheetah, Blue Crane, Cape vulture and the Critically Endangered black rhinoceros.

Samara also has potential as a significant carbon sequestrator, while Samara's restored grasslands offer holistic livestock grazing.

CONSERVATION ETHOS

Humbly founded in 1997 through the consolidation of 11 livestock farms, the Samara conservation ethic over the past 20 years has been guided by professional advice and conservation best-practice by working with a number of NGOs and government bodies such as SANParks.

Whilst Samara has achieved admirable ecological restoration and ecotourism successes, much remains to be done to reach its potential. Samara's vision is therefore nothing less than fully-restoring the Great Karoo ecosystem to be a haven for endangered species, a purveyor of ecosystem services and a tool for social upliftment.

Samara's conservation vision extends beyond its borders to the creation of South Africa's 3rd largest protected area in a Global Biodiversity Hotspot – a transformative conservation, restoration & job creation project on 1.2 million hectares.



The Corporate Social Impact Investment Portfolio

Samara has been implementing a two-stage ecological expansion plan since 2013. The funds raised will contribute to: developing a loan that will gain the local community a **26% equity in the ecotourism** operation that includes a new tented camp asset; developing the **regenerative agriculture** business; & capitalise the Spekboom **carbon sequestration** project, which is a first of its kind in South Africa.

The Samara CSII Portfolio therefore offers a wide range of assets within one investment. This provides a diversification of risk across three core asset classes and the blending of CSI and goodwill budgets of large corporates who are seeking **positive impact investment opportunities to offset negative impacts** associated with their business or sector.



Total CSII Budget
R200 million

This **R200m** budget includes three core investments:

- **R90m** for the acquisition of a 26% stake by the Staff Trust and the proposed new tented camp;
- **R10m** expansion capital for regenerative farming; and
- **R100m** for the Spekboom carbon project.



Commercial and +Impact Returns

This CSII portfolio combines commercial viability in lockstep with environmental offsets and social development to create a one-of-a-kind opportunity for equity and CSI participants.



Transformation and B-BBEE

This CSII portfolio offers a unique and compelling empowerment opportunity in a rural Presidential Poverty Node in accordance with the National Development Plan 2030 and Broad-Based Black Economic Empowerment Act.

THE +IMPACT OPPORTUNITY

Economic inclusion through conservation

In 2013, Samara focused on strengthening the ecotourism operations and the reintroduction of wildlife (including lion and elephant) on the 12,919 ha core area of the reserve. This delivered a successful Big Five Game Reserve with an exceptional track record, positioning Samara as a centre of excellence in conservation and landscape restoration.

Further economic inclusion of the community is crucial for the sustainable conservation of the biodiversity and carbon sequestration potential. A 26% equity in Samara by the Staff Trust will contribute significantly to achieving this. We propose that this is done through a mezzanine finance structure, or similar, allowing the investing corporate to gain a return on investment while creating a positive impact.

Climate change mitigation & food security assets

To further the economic and environmental sustainability of Samara, regenerative farming and carbon offset opportunities are proposed, contributing to the development of the remaining 14,267 hectares. The carbon sequestration project involves the planting of 6,000ha of Spekboom at a cost of approximately R100m, due to the intensive labour requirements, which will conservatively capture and store 600,000 tons of CO₂e in the next 10-15 years (i.e. ±100t/ha).

This Spekboom project requires the initial investment in the form of CSI grants, which can be made over a 3 to 5 year period to accommodate CSI budget plans of the investing corporate. Subsequently the carbon credits will be available at a discounted rate for the investing corporate to offset carbon emissions and associated taxes.

THE +IMPACT SDG GRADING

The Corporate Social Impact Investment Portfolio

The ICA Impact Investment Grading Tool is a unique global innovation that combines the the *UNEP FI positive impact finance principles* and *UN's SDGs* to generate an impact investment overview that is robust. It analyses both qualitative and quantitative data to generate a report that investors can review in order to make an informed decision based on real and forecasted impacts.



Draft analysis

AA^{Core}

+Impact SDG Investment



This rates the forecast or real performance of the project/ portfolio against the SDGs that are core to the project or portfolio. The investment grade provides an investor with a quick reference to the potential contribution of an investment to solving the project specific and relevant SDGs as well as its performance against the *UNEP FI's positive impact principles*.

A Comprehensive

+Impact SDG Investment



This evaluates the potential or realised impact of the full project / portfolio towards all the SDGs, using a weighted average of the investment's performance against the *UNEP FI's positive impact principles*, allowing investors to make informed and comparable investment decisions.

THE +IMPACT POTENTIAL

Background on rural Eastern Cape

The Eastern Cape Province consistently ranks as South Africa's poorest, with an unemployment rate of 39.5% (Q4 2019) compared to 29.1% nationally. A total of 36% of households are fully dependent on social grants for survival, which will undoubtedly be worsened by the COVID-19 pandemic. In particular, the region surrounding Samara forms part of a rural Presidential Poverty Node, "the spatial manifestation of the second economy", where only 20% of residents have completed formal schooling.

The Proposed Economic Empowerment:

Local staff 26% shareholding in the broader Group through a Staff Trust, benefitting 67+ employee households and impacting the lives of up to 470 people.

Job Retention and Creation

The proposed transaction will preserve the **67+** existing jobs. In addition, the proposed tented camp development will create **31** additional jobs; the farming development will create approximately **10** additional jobs in Years 0-3, with the potential for significantly more positions being created as the business develops; and the Spekboom carbon project will generate 600 000 hours of labour over 10 to 15 years. The development of these businesses will also provide additional internships & skills development.

The Climate Change Impact

Conservatively, 600 000 tons of CO₂ (@100t/ha) will be sequestered in the next 10-15 years. In addition, there are significant additional ecological, economic and social benefits that would accrue.

ABOUT

Impact Capital Africa (ICA)

OUR PURPOSE: To catalyze profitable impact investments that deliver measurable returns on socio-economic and natural capital.



THE TEAM

BRETT WALLINGTON

Founder and Managing Director

Brett Wallington spent most of his early career in ecotourism industry, starting off as wildlife guide and later moving onto sustainability roles in Wilderness Safaris and Standard Bank. Brett founded ICA by discovering a market need to create a robust mechanism in which to attract capital into impact investments.



CAROLINE WALLINGTON

Head: Research and Development

M.Sc. Env. Science; Pr.Sci.Nat. Ecological Science (116313)
Caroline is a passionate systems ecologist, environmental practitioner and conservation scientist. Caroline leads our research and development division as our dedicated specialist in social-ecological system science.



DAVID LAWRENCE

Non Executive Advisor

Currently a non executive Deputy Chairman of Investec Bank Ltd and Chairman of Investec Bank Mauritius Ltd. He is also a director of a number of outside companies including JSE Limited.



 icap africa.com

 brett@icap africa.com

 +27 82 548 4954

OUR MISSION

Redefining sustainable impact investments and their returns through mitigating risk with robust impact analysis of underlying assets.

OUR VISION

ICA seeks to balance the financial returns of investments and equities with positive impacts and returns on social and natural capital.

WHAT WE DO

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

B-BBEE - Level 2

Impact Capital Africa is 51% black female owned and Level 2 B-BBEE contributor.

About Ubuntu Wilderness



Ubuntu Wilderness, a non-profit organisation, provides philanthropic wealth services for individual and corporate clients, offering a simpler solution to donors wishing to make philanthropic or CSI contributions.

 ubuntuwilderness.com

 info@ubuntuwilderness.com