

Presentation to the 67th Diocesan Synod

The importance of Partnerships and Opportunities
in Land Usage especially with Old Mutual

06 May 2016

Contents

- Theme
- About Old Mutual Masisizane Fund
- Partnerships and Opportunities
- Process Map

Theme

- Greetings
- Mr Marshall Rapiya extends his sincere for not making it today due to prior commitments
- In looking at the theme ‘the importance of partnerships and opportunities in land usage especially with Old Mutual’ it is important to reflect on what has made Old Mutual a successful 171 year old company it is today.
- Three reasons come to mind:
 - Aligning your reason for existence with that of the people you seek to serve.
 - Understanding that what is good for the country is good for Old Mutual. That is, constantly seeking that which is bigger than the organisation or doing responsible business
 - Always adapting to changes without losing your core values
- I may add that of relevance as well is the importance of building on what you have. Amongst others, land is what the Church possesses

About Masisizane

- When Old Mutual demutualised one of the decisions it took was to use the money was not claimed to set up an endowment that would benefit the people of South Africa.
- The Masisizane Fund is a product of a partnership between National Treasury and Old Mutual when a decision was taken in 2007 to use the Unclaimed Shares to support SMMEs that in turn would create jobs and contribute to economic growth and development
- What is important to note is that these funds could have been used to enrich Old Mutual shareholders instead they are part of a bigger agenda to support viable businesses that can create jobs
- A central pillar in the strategy pursued by Masisizane is ‘partnerships for a brighter tomorrow’

Importance of Partnerships

- Partnerships are important for many reasons. In our context, and this I believe is relevant to the theme today, these partnerships help us:
 - **Expand our knowledge** base as we interact with more people and organisation with vast and diverse experiences. The world is changing and we have to continuously adapt to this dynamic environment. So expanding your knowledge base through partnerships is critical
 - **Leverage both financial resources and technical resources.** It is not always about not having money that makes one to collaborate but a desire to share and extend impact through collaborative efforts
 -

Opportunities in Land Usage

- Opportunities for partnerships on Land Usage depend on a number of things:
 - Shared values - do we have an aligned vision. In our view the answer is a big yes
 - Do we have a clear understanding of the various land parcels and what the potential is. That is, is there potential for high value irrigated crops, livestock development or other commodities?
 - Have they been mapped, soil tests done if agriculture is an opportunity. For other land uses such as property development are these lands strategically located to add value to the what the Church seeks to achieve?
- So, it is important to have a deeper understanding of what we have.
- Knowing this (i.e. land parcels) can help us prioritise. Where are the low hanging fruits where visible impact could be made.
- For each opportunity we could package a solution based on potential and feasibility

Mechanisms

- There are various mechanisms through which partnerships could be facilitated within Old Mutual as well as other partners.
- From a governance point of view the Church could set up its own Trust that will manage all the land parcels.
- Mechanisms through which partnerships could be developed include, amongst others:
 - Operator model - where the Church owns the land but appoints an operator to invest and manage the property on a lease basis
 - Co-investments - where the Church owned legal entity could invest in property in partnership with Old Mutual/Masisizane Fund
 - Managed investments - where Old Mutual/Masisizane provides finance to the legal entity.
- We can provide both finance and none financial support informed by, as I indicated, by what is possible on the ground - agriculture or non agriculture
- Financial inclusion is also one of the areas for collaboration including Financial Education

Conclusion

- In conclusion:
 - Partnerships are possible and the starting point is having a deeper understanding of the assets at our disposal
 - A land audit and feasibility on each land parcel is critical
 - Prioritising and ensuring learnings are used to sustain the journey is also important
 - Adapting various models and ensuring a shared value approach in partnership is an important consideration to make
 - Financial inclusion and education is also key.

Thank You!

