

BUSHBUCKRIDGE LOCAL MUNICIPALITY: FEASIBILITY REPORT ON THE PROPOSED SOLID BIOFUEL PILOT PROJECT



FEASIBILITY REPORT FINANCED BY THE MPUMALANGA DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING



FEASIBILITY REPORT PREPARED BY PHAMBILI ENERGY (PTY)

LTD

BUSHBUCKRIDGE SOLID BIOFUEL PILOT PROJECT

BUSHBUCKRIDGE SOLID BIOFUEL PILOT PROJECT	1
1 EXECUTIVE SUMMARY	4
2 INTRODUCTION	8
2.1 PHAMBILI ENERGY	8
2.2 MANDATE	9
2.3 FUNDING	12
2.4 PURPOSE	
2.5 FINDINGS	16
2.5.1 FENIX THERMAL ENERGY UNIT	16
2.5.2 IMPACT ON THE COMMUNITY AND THEIR EXPECTATIONS	
2.5.3 COMMUNITY PARTICIPATION	
2.5.4 COMMUNITY'S SATISFACTION AND APPRECIATION	19
2.6 RISKS, CHALLENGES AND MITIGATION MEASURES	19
2.6.1 THEFT AND VANDALISM	19
2.6.2 OWNERSHIP AND MAINTENANCE	21
2.7 DEMAND ASSESSMENT	21
2.8 LOCAL CONTENT AND MANUFACTURING	22
3 RECOMMENDATIONS	22
4 BIOMASS SOURCES	24
5 ACCREDITATION OF THE FENIX THERMAL ENERGY UNIT	25
6 ESKOM ELECTRIFICATION MAP AND CALENDAR	25
7 SOCIO-ECONOMIC PROFILE OF THE AREA	
7.1 HISTORICAL OVERVIEW	
7.2 PERCENTAGE OF HOUSEHOLDS BY TYPE OF ENERGY USED	27
7.2.1 LIGHTING	27
7.2.2 HEATING	
7.2.3 COOKING	
7.3 OFF-GRID HOUSEHOLD ENERGY USE	
8 COMMUNITY FACILITATION	
8.1 CO-OPERATIVE BUSINESS ARRANGEMENTS	
8.2 MINUTES OF PUBLIC FACILITATION MEETINGS	
8.3 LISTS OF FENIX BENEFICIARY HOUSEHOLDS	-
9 POSSIBLE ESTABLISHMENT OF OTHER SME'S	
9.1 ECONOMY OF BUSHBUCKRIDGE	
9.2 AGRICULTURE	
9.3 FOCUS AREAS	
10 LOGISTICS	37
10.1 BIOMASS AS ENERGY SOURCE	
10.2 BIOMASS COLLECTION	38
10.3 BIOMASS CONVERSION	
10.4 SBF PACKAGING	40

10.5 SBF DISTRIBUTION	40
10.6 FENIX THERMAL ENERGY UNITS	41
11 FINANCIALS	41
11.1 CAPITAL OUTLAY	
11.2 PRODUCTION COST CENTRES	43
11.2.1 SOURCING	43
11.2.2 PROCESSING	43
11.2.3 MANUFACTURING	44
11.2.4 INDIRECT COSTS	
11.3 ESTIMATED INCOME AND EXPENDITURE STATEMENT BASED O	
THE PRODUCTION OF 200 TONS SBF PER MONTH	
11.4 ESTIMATED MONTHLY EXPENDITURE STATEMENT	
11.5 ESTIMATED MONTHLY INCOME STATEMENT	47
11.6 OPERATING COSTS	
11.7 FINANCIAL IMPACT	49
12 ANNEXURES	
12.1 ANNEXURE 1: LETTER OF APPOINTMENT DATED 12 MARCH FRO	-
THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING	
12.2 ANNEXURE 2: FENIX ACCREDITATION	
12.3 ANNEXURE 3: ESKOM: BUSHBUCKRIDGE CAPACITY FEEDBACK	55
12.4 ANNEXURE 4: LETTER FROM BUSHBUCKRIDGE CONFIRMING T	
NUMBER OF HOUSEHOLDS THAT QUALIFY FOR THE FENIX	
12.5 ANNEXURE 5: GENERIC CO-OPERATIVE CONSTITUTION	-
12.6 ANNEXURE 6: GENERIC PRE-INCORPORATION AGREEMENT	
12.7 ANNEXURE 7: MINUTES: HLUVUKANI MEETING: 18 MARCH 2009	
12.8 ANNEXURE 8: MINUTES ISLINGTON MEETING: 18 MARCH 2009	
12.9 ANNEXURE 9: MINUTES: BURLINGTON MEETING 18 MARCH 200	9
12.10 ANNEXURE 10: MINUTES: HUTTINGTON MEETING: 19 MARCH 2	
	.115
12.11 ANNEXURE 11: BENEFICIARY LIST: HLUVUKANI	-
12.12 ANNEXURE 12:BENEFICIARY LIST: ISLINGTON	
12.13 ANNEXURE 13: BENEFICIARY LIST: BURLINGTON	-
12.14 ANNEXURE 14: BENEFICIARY LIST: HUTTINGTON	-
12.15 ANNEXURE 15: CIRCLE GARDENS	
12.16 ANNEXURE 16: OUTLINE: SUSTAINABLE HOME GARDENS	.164

1 EXECUTIVE SUMMARY

Phambili Energy a South African based company has been licensed to:

- market and sell a locally developed small energy system called the Fenix Thermal Energy Unit, a domestic combined heat and power unit; and
- operate and sell an environmentally friendly solid biofuel producer. The solid biofuel producer produces solid biofuel from any biomass waste e.g. invader species, the whole tree/plant including wood, bark, branches and leaves or ordinary veldt grass.

Phambili was appointed by the Bushbuckridge LM to execute the pilot project subject to:

- Phambili obtaining funds to cover the social engineering costs of the pilot project;
- sufficient biomass sources being available to sustain the pilot project;
- community acceptance of the Fenix;
- community acceptance of the biomass conversion plant and the ownership thereof vesting in a SME solely owned by local co-operative to be incorporated with a pre-incorporation agreement;
- management support from Phambili to the co-operative and SME operating the plant for a period of at least three years;
- Phambili buying all biofuel products manufactured by the SME at an economic price determined from time-to-time;
- The identification of an ideal site for biomass conversion, the erection of buildings, the acquisition of plant, equipment and vehicles and supply, delivery and commissioning of the biomass converter; and

- The training of operators to operate the biomass converter, the assembly, installation of the Fenix units together with training to households to operate the unit; and
- The submission of a feasibility report indicating the acceptability of the pilot project by the beneficiary communities and the sustainability of the pilot project.

The main purpose of the pilot project is to:

- Prove that a solid biofuel producer can be launched successfully on rural community level generating sufficient profits for the co-operative and Phambili to replicate the project in other parts of SA with adequate supplies of biomass;
- Establish a bridge between the 1st and 2nd economies in SA;
- Prove that the solid biofuel:
 - is socially acceptable and competitive with household's current daily spending on energy; and
 - can be produced in volume and to a acceptable quality to be used in a fuel-switching programme to replace coal, paraffin and firewood for cooking and space heating purposes in terms of initiatives from the Department of Minerals and Energy as well as the Central Energy Fund;
 - can also be used for other purposes such as for the leisure and commercial markets as a renewable CO₂ neutral energy source.
- That care is taken of the Invader Alien Plants (IAP's) that Department of Water Affairs and Forestry through Working-for-Water and convert it into useful energy and involve communities in the process.
- Prove that the Fenix Thermal Energy Unit;
 - is a viable alternative to the Photovoltaic (PV) system;

- can be used as a solution to areas that will not receive electricity from the national electricity grid within 5 years or ever for that matter;
- is energy efficient and socially acceptable.
- Finally, in the spirit of co-operative governance and the creation of much needed jobs in rural areas, that a private initiative and the organs of state can take hands in achieving national, provincial and local goals.

The public facilitation on the supply and installation of the Fenix must be seen against the background that the Bushbuckridge LM was informed during a meeting held on 16 March 2009 by ESKOM, that due to a lack of supply capacity, that certain areas in Bushbuckridge LM who were promised connections in 2004, will only be provided with connections after 2012 when new substations have been built. The areas most affected will be certain households in Welverdiend, Hluvukani, Hluvukani PHP, Burlington, Huttington and Islington in the Bushbuckridge LM.

Households have been highly disappointed by the capacity problems with Eskom in the area and therefore have shown willingness to embrace and use the Fenix Utility Unit. They wanted to see the unit improved in future to accommodate a television set and probable a small fridge. Some households already connected to the grid demanded to be provided with the Fenix ass they could not afford the current electricity charges. With the current electricity supply problems, the expectation of the Fenix Utility unit is very high and has raised hopes for the rural people as they might be only connected after 2013.

Adequate supplies of biomass have been identified and the exact site for locating the biomass converter must still be finalised. Phambili is assisted by the Local Economic Directorate of the Bushbuckridge LM in this regard.

The financial models indicate sustainability in terms of which the SME solely owned by the co-operative, will make a nett profit of R 50 000 per month.

Likewise, Phambili as entrepreneur will also show a similar profit. Phambili will render managerial support to the SME for a period of at least 3 years for the transfer of skills and capacity to ensure the sustainability of the project. The memorandum of understanding provides for a contract period of at least 20 years.

The Phambili business model is designed in such a way that the biomass conversion acts as a catalyst for local development whereby the profits generated from the production of solid biofuel, is used as seed finance to fund other locally identified projects in an endeavour to promote rural job creation and sustainability. This model will also assist government policies such as the Integrated Sustainable Rural Development Strategy, sustainable land reform and the promotion of technical skills and financial aid in rural communities.

The total cost for the plant and equipment is estimated at R 11 455 369,80 whereby 84 direct and 45 indirect new jobs – a total of 129 new jobs will be created at a cost of approximately R 88 800 per job opportunity. With the introduction of the new SA developed technology, poor households are expected to save at least 62% on current monthly energy costs. The cost for the provision of 1522 Fenix units (R 10 830-00 including VAT) installed in beneficiary households is estimated at R 16 483 260-00 with a total pilot project value of R 27 938 629-80 (including VAT) which amount will be funded by the Department of Minerals and Energy. The current funding does not provide for operating costs and the Department of Economic Development and Planning will be approached to assist the co-operative in gaining access to the Co-operative Incentive Scheme¹ administered by the Department of Trade and Industry (maximum of R 300 000) and the balance as an interest free loan to be repaid from profits made, which amount is estimated at R 5000 per month at 0% interest.

¹ CIS is offered as a 90% matching grant towards the qualifying expenditure incurred/to be incurred by the co-operative. The incentive scheme will operate for a period of five years, starting 2005/6 financial year. A co-operative is eligible for a total grant not exceeding R300 000-00.

In conclusion, Phambili Energy wants to express its appreciation to the following persons for their support and commitment to the project:

Mr O Aphane	DME;
Mr MM Mathebula	DEDP
Mr Kolokoto	Bushbuckridge LM
Mrs J Malebana	Bushbuckridge LM

2 INTRODUCTION

2.1 PHAMBILI ENERGY

Phambili Energy is a South African based company operating from 96 Lindfield Road, Lynnwood Manor, Pretoria, Gauteng, South Africa and is managed by its founders. The company has been licensed to market and sell a locally developed small energy system called the Fenix Thermal Energy Unit, a domestic combined heat and power unit. Wood, solid biofuel or coal is placed in the combustion chamber and water in the boiler and geyser. The Fenix is an energy efficient system as it utilizes the energy created by the fire to do a number of tasks such as a stove, a geyser, a space heater, an electricity generator and supplier of distilled water. The Fenix thermal energy unit is a combined domestic heat and power unit and has been designed and developed for deep rural, rural and urban households with no access to electricity and who stand very little chance of being connected to a National Electricity Grid in the foreseeable future.

Phambili has also been licensed to operate and sell an environmentally friendly solid biofuel producer. The solid biofuel producer produces solid biofuel from any biomass waste e.g. invader species, the whole tree/plant including wood, bark, branches and leaves or ordinary veldt grass. The average conversion ratio of biomass into the solid biofuel is 30% whereby approximately 200 ton of solid biofuel is produced from approximately 700 ton of biomass.



2.2 MANDATE

Phambili was appointed by the Bushbuckridge LM to execute the pilot project subject to certain terms and conditions. One such condition was that Phambili had to obtain funding to cover the social engineering aspects of the pilot project. This cost was estimated at R 572 000-00 including VAT and the Mpumalanga Department of Economic Development and Planning provided the funds to cover this part of the pilot project. The other condition was that sufficient biomass sources were available to sustain the pilot project. Please refer to Annexure 1 for the letter of appointment by DEDP dated 12 March 2009.

The mandate to Phambili is to implement the pilot project consisting of the following deliverables:

2.2.1 The submission of a feasibility report containing details on the execution of the pilot project after having identified a sustainable biomass source and a

beneficiary community and after having conducted a socio-economic and bio-physical survey of the area of the beneficiary community as well as the identification of beneficiary households that would receive the Fenix thermal energy units including recommendations for other sustainable projects that may be identified;

- 2.2.2 The registration of an operational co-operative or an agreement with an existing co-operative, to be the holding company of at least one Small and Medium Enterprise (SME) and having an Memorandum of Understanding (MOU) and management contract in place with PHAMBILI or a nominated service provider for at least three years from the date of the incorporation of the last Small and Medium Enterprise (SME) in terms of which the Small and Medium Enterprises shall pay to Phambili or its nominated service provider a management fee as part of its operating costs in a reasonable and business-like manner with an agreement with the co-operative to conduct the local sales of the carbon product of value;
- 2.2.3 The registration of a fully operational SME solely owned by the cooperative who will be the owner of the biomass converter and whose main business will be the collection and conversion of biomass into a carbon product of value, the packaging and warehousing thereof with an agreement in terms of which Phambili shall buy the total production of the carbon product of value;
- 2.2.4 The identification of an ideal site for the location of the conversion plant and equipment including the provision of services essential for the operation of the plant, the long term lease of the land and the construction of buildings essential for the operation and maintenance of the plant as well as warehousing facilities for the carbon product of value;

- 2.2.5 The supply, delivery, installation and commissioning of a biomass converter with the ability to produce 200 (two-hundred) ton of carbon products per month;
- 2.2.6 The identification and training of a team to operate the biomass converter in according to the protocols of Phambili;
- 2.2.7 The supply, delivery, installation and commissioning of a number of Fenix thermal energy units to be agreed upon between Phambili, the Municipality and the Department of Minerals and Energy to identified beneficiary households;
- 2.2.8 The identification and training of a team that would assemble, install, commission the Fenix thermal energy units in the houses of the identified beneficiaries as well as training the families in the safe handling of the thermal energy units in accordance with protocols issued by Phambili;
- 2.2.9 The identification and training of a team that will be responsible for providing preventative maintenance on the Fenix thermal energy units in accordance with protocols issued by Phambili;
- 2.2.10 The demonstration of the biomass converter and thermal energy units to the Department of Minerals and Energy, the Departments of Local Government and Economic Affairs and Planning of the Mpumalanga Province as well as to the Bushbuckridge Local Municipality on a date to be agreed upon after commissioning of the conversion plant and the thermal energy units;
- 2.2.11 The rendering of managerial support and capacity building to both the cooperative and the SME incorporated to undertake the biomass conversion for a period of at least three years after incorporation at the cost of the co-operative and the SME; and

2.2.12 The appointment of at least two (2) non-executive directors on the board of directors on the SME to be incorporated in terms of the Companies Act 1973 (Act 61 of 1973) nominated by Phambili or a nominated service provider with a veto right on material matters to ensure the sustainability of the enterprise for the duration of the management agreement.

2.3 FUNDING

The Mpumalanga Department of Economic Development and Planning provided in the amount of R 572 000-00 including VAT for the social engineering aspects of the pilot project. The Department of Minerals and Energy approved funding for the plant and equipment. The current funding does not provide for operating costs and the Department of Economic Development and Planning will be approached to assist the co-operative in gaining access to the Co-operative Incentive Scheme² administered by the Department of Trade and Industry (maximum of R 300 000) and the balance as an interest free loan to be repaid from profits made, which amount is estimated at R 5000 per month at 0% interest.

2.4 PURPOSE

There are three aspects from a technology point of view that Phambili wants to demonstrate, test and have to accredit at the end of the pilot project:

 That the Solid Biofuel Producer (SBP) can produce 200 tons of solid biofuel per month and that it is financially feasible in that it makes an adequate operating profit after wages and other input cost have been paid as well as the ability to repay a loan as if it had been financed by a commercial bank. Sufficient operating profit needs to be generated to

² CIS is offered as a 90% matching grant towards the qualifying expenditure incurred/to be incurred by the co-operative. The incentive scheme will operate for a period of five years, starting 2005/6 financial year. A co-operative is eligible for a total grant not exceeding R300 000-00.

enable the co-operative to become a business incubator of additional SME's that will take care of not only the energy and financial security, but also of their food security such as chicken farms, spinach and other vegetable production in tunnels or under shade cloth and other agricultural activities to plant some form of starch. Ultimately what the Government, DBSA, IDC, MIG, wants to see is exit strategies for the current social grants and alternative infrastructure financed by the various SME's. In short a replicable model that can be financed through private capital as opposed to government grants that achieves the APEX priorities and MDG.

It is vital to note that a project of this nature is building a bridge between the 1st and 2nd economies of South Africa which necessitates a new look at the redemption period of capital incurred from 5 to 10 years. In addressing their corporate social responsibilities commercial banks will have consider the 10 years redemption period as a prerequisite to ensure the sustainability of such projects.

- 2. That the Solid Biofuel (SBF):
 - is socially acceptable and competitive with the household's (in the area and nationally) current daily spending on energy; and
 - can be produced in volume and to a acceptable quality to be used in a fuel-switching programme to replace coal, paraffin and firewood for cooking and space heating purposes in terms of initiatives from the Department of minerals and Energy as well as the Central Energy.
- That care is taken of the Invader Alien Plants (IAP's) that Department of Water Affairs and Forestry through Work-for-Water and convert it into useful energy and involve communities in the process.

- 4. That the fuel has markets locally and internationally in both the fuelswitching and leisure markets such as local lodges, the Kruger National Park as well as to Supermarkets and forecourts at filling stations.
- 5. That the Fenix Thermal Energy Unit;
 - is a viable alternative to the Photovoltaic (PV) system;
 - can be used as a solution to areas that will not receive electricity from the national electricity grid within 5 years or ever for that matter;
 - is energy efficient and does what we say it can; and
 - is socially acceptable.

Finally that Phambili proves to all the relevant spheres of government as a whole and separately that Phambili has a solution to assist in achieving their mandates, goals, deliverables and objectives. The following institutions have already committed in being part of the pilot in Bushbuckridge to collect data and determine possibilities of replicating this project to other areas of the country:

- IDC (Strategic High Impact Program) Proposed to establish a full reference site supported by 4 communities with a central buying of the solid biofuel from the co-operatives, immediately after the Bushbuckridge Pilot - is a mini version of what Phambili wants to do in a National scale or African continental level;
- Nedbank Asset Finance Division: To determine the funding mechanism for asset financing after the completion of the Bushbuckridge Pilot;
- Department of Social Development (National Sustainable Livelihood Directorate): To gauge and package the project for possible replicability to other areas after the Bushbuckridge Pilot under the sustainable livelihood programme;
- Department of Minerals and Energy through the following programmes;
 - Integrated National Electricity Program;
 - Clean and Renewable Energy;

- Clean Development Mechanism;
- Special Projects Section; and
- Gender Empowerment.
- Development Bank of Southern Africa, under infrastructure development;
- National Working-for-Water Program on the use of alien invasive plants for income generating projects and developing a secondary industry with the use of invader plants; and
- Department of Environmental Affairs and Tourism

The pilot should be able to test and allow IDC, Umsobomvu, DBSA, Nedbank and any other institution that will have to fund through a loan basis to gauge the commercial and financial feasibility of the Solid Biofuel Producer in repaying the loan.

2.5 FINDINGS

2.5.1 FENIX THERMAL ENERGY UNIT

- 2.5.1.1 The public facilitation on the supply and installation of the Fenix must be seen against the background that the municipality was informed during a meeting held on 16 March 2009 by ESKOM, that due to a lack of supply capacity, that certain areas in Bushbuckridge LM who were promised connections in 2004, will only be provided with connections after 2012 when new substations have been built.
- 2.5.1.2 The areas most affected will be certain households in Welverdiend, Hluvukani, Hluvukani PHP, Burlington, Huttington and Islington.
- 2.5.1.3 The Fenix was introduced by way of a video presentation and was well received by all communities - especially the geyser facility was welcomed by all in attendance – it was even mentioned in a prayer at the conclusion of one facilitation session.

2.5.2 IMPACT ON THE COMMUNITY AND THEIR EXPECTATIONS

- 2.5.2.1 Households have been highly disappointed by the capacity problems with Eskom in the area and therefore have shown willingness to embrace and use the Fenix Utility Unit.
- 2.5.2.2 Households want to see the unit improved in future to accommodate a television set and probable a small fridge.
- 2.5.2.3 Poor households connected to grids requested to be provided with the Fenix Unit as they cannot afford the current electricity charges.
- 2.5.2.4 With the current capacity problem in the communities, the expectation of the Fenix Utility unit is very high and has raised hopes for the rural people as they might be only connected after 2013.

2.5.3 COMMUNITY PARTICIPATION

Often than not community participation is used a smoke screen in doing what was originally planned not as a genuine process of accommodating people's needs and expectations. From this survey, it is clear that community's needs and expectations were accommodated and the communities were consulted from the inception of this project, through their leadership structures, local government, council, councillors, ward committees, traditional leaders and through community meetings.

To ensure sustainability and continuity, a steering committee will be formed in line with the implementation of the project.

Hluvukani Community



Hluvukani Community



Welverdiend Community



2.5.4 COMMUNITY'S SATISFACTION AND APPRECIATION

Community satisfaction and appreciation is greatly influenced by the perception and expectation of the quality of service. Although the communities of Bushbuckridge want grid electricity, they have shown a huge interest and appreciation of the Fenix Utility unit and have also expressed satisfaction that it will serve the purpose under the current prevailing conditions of bulk electricity capacity in the area. Studies have shown that even people with grid electricity do not use it for cooking and heating because of its perceived high costs, therefore the Fenix Utility unit because of its multi purpose functionality, cooking, space heating, charging cell phone, playing a radio and providing electricity for lighting, have been well received by the communities of Bushbuckridge as a long term solution.

2.6 RISKS, CHALLENGES AND MITIGATION MEASURES

2.6.1 THEFT AND VANDALISM

A study conducted by The Department of Minerals and Energy Policy Centre in 2002 on strategies to address Theft and Vandalism and Lack of Maintenance for No-Grid Electrification of schools and clinics found out that the major causes were the following:

- Lack of ownership of the systems by communities;
- Poor security of system;
- Lack of involvement of the communities in the planning and implementation of the projects;
- Non-functioning of the systems due to poor installation or lack of maintenance;
- Lack of awareness on use of the system; and
- Poor management of those responsible.

In view of the study and findings thereof, Phambili Energy has extensively involved the communities of Bushbuckridge through a consultation process in order to involve them in planning and implementation of the pilot project. Series of meetings were held with the communities to benefit from the Fenix Utility Unit and further explanations were made to ensure that there was a broader understanding of what the up-coming pilot project entails.

All beneficiaries of the Fenix Utility will be trained on how to use and perform what would be called a first line maintenance whilst a team mentored and trained by Phambili Energy operating within the communities, will perform all maintenance required by the units.

2.6.2 OWNERSHIP AND MAINTENANCE

Since the communities will not contribute financially or otherwise to have their units installed in their houses, local ownership from the conceptualisation through implementation of the project is of utmost importance. The consultation process during the feasibility study process of this project indicates the level of understanding from Phambili Energy's side that all members of the community affected by this project should be incorporated at the initial stages of conceptualisation and implementation of the project as it is directly related to caring, looking after and maintenance of the units.

During the survey, some people suggested that the maintenance teams should be people amongst the communities of benefit to ensure a very good service of the unit and smooth implementation of the project. Ensuring that, Phambili Energy's deployment model of the units is in line with the community's suggestion ensuring job creation and building a sense of ownership. The low level of sophistication of the units does not require high levels of skills which exist in the rural communities of the project.

2.7 DEMAND ASSESSMENT

During our visit and consultation to the communities of Bushbuckridge, all households saw the need of the Fenix Utility Unit as it serves a numbers of purposes under their current conditions. The fact that Eskom have a capacity problem in the Municipality and will only be able to start building a sub-station by 2012 emphasizes the demand of the Fenix Unit into the communities of Bushbuckridge. Further to that, during the consultation process, there were some members of the community who felt that even those who have electricity but cannot afford to pay must be given the Fenix Utility Unit and in view of this, the pilot will not only be a solution to the capacity problem in the municipality but an alternative infrastructure development towards accelerated service delivery to the people.

2.8 LOCAL CONTENT AND MANUFACTURING

All components of both the Fenix and the biomass converter are sourced and manufactured locally barring the mechanical press which is imported from Denmark. Further discussions will take place between Phambili Energy and the Department of Economic Development and Planning in Mpumalanga with the view to exploring possibilities of setting up a manufacturing plant in the Province to ensure that the products are proudly "Mpumalangan" and to bring the total cost down.

3 RECOMMENDATIONS

DECIONAL

3.1. In view of the fact that abundant biomass sources have been identified in the Bushbuckridge municipal area and that beneficiary communities as indicated in the schedule below have applied for the Fenix Thermal Energy Unit, that the pilot project be commenced with without delay:

OFFICE	VILLAGE	NUMBER OF HOUSEHOLDS	IDP NO
Hluvukani	Welverdiend Hluvukani	850	ES113
Hluvukani	PHP	79	ES105
Hluvukani	Hluvukani	100	
Acornhoek	Burlington	200	ES007
Lillydale	Huttington	114	
Hluvukani	Islington A	179	
Total		1522	

- 3.2. That it be noted that the exact location of the biomass conversion site must still be finalised.
- 3.3. That the Department of Minerals and Energy and the Bushbuckridge LM be requested to give direction on the demand by certain poor households already connected to the grid to be provided with the Fenix units.
- 3.4. That negotiations be entered into with the Bushbuckridge LM on the possible use of the solid biofuel as part of the free basic services.
- 3.5. That negotiations be entered into with the Bushbuckridge LM on the following alternative distribution systems:
 - Linking in with the gel distribution system; or
 - Making use of spaza shops in the various communities to sell the solid biofuel to households; or
 - Recruiting local sales ladies who will undertake the local sale of the solid biofuel; or
 - A combination of the three systems depending on circumstances.
- 3.6. That negotiations be entered into with the Mpumalanga Department of economic Development and Planning for a interest free loan to the SME solely owned by the co-operative for working capital to be repaid from profits made as the current funding only provides for the cost of the feasibility report and the plant and equipment.
- 3.7. That the following documents be made part of the project deliverables:

- 3.7.1 Commissioning report, including signed original certificates of all commissioning tests including a record of all prevailing conditions at the time of the tests;
- 3.7.2 Training manuals;
- 3.7.3 Safety manuals and safety operating procedures;
- 3.7.4 Warranty documents;
- 3.7.5 Plant and units layout drawings;
- 3.7.6 Components installation directions and schematics;
- 3.7.7 Details of civil works, including foundations for support structures;
- 3.7.8 Listing of special tools required; and
- 3.7.9 Plant control specifications, describing all possible settings of controls and protective equipment

4. **BIOMASS SOURCES**

- 4.1 The western part of the municipality is well endowed with biomass in the form of indigenous forests and commercial forests.
- 4.2 Discussions and correspondence with the regional Working for Water Programme leaders indicated that sufficient sources of biomass were available from their invader plant clearings.
- 4.3 One such area is located immediately west of Bushbuckridge town at Mphenyatsapsi. The area was formerly used for a coffee plantation and once it was cleared, it was invaded by lantana and buck weed. The area is situated on tribal land under the jurisdiction of Chief George Mashego.

- 4.4 The Bushbuckridge LED Executive Director, Mr Kolokoto indicated that his directorate would facilitate in conjunction with the ward councillor access to land for the establishment of the biomass conversion site.
- 4.5 Macadamia shells in the area as well as firebreak cuttings and forestry clearings further west was also available as biomass source.

5. ACCREDITATION OF THE FENIX THERMAL ENERGY UNIT

Various components of the FENIX have subjected to quality testing over the past four months and Professor J Annegarn of the University of Johannesburg was commissioned to undertake the final accreditation of the Fenix Thermal Energy Unit. Phambili was informed that certain equipment vital for the accreditation of the Fenix was only expected to arrive from overseas during the last part of April 2009. Mechaneer Mechanical Engineers undertook to complete the accreditation

Please refer to Annexure 2 containing information in this regard.

6. ESKOM ELECTRIFICATION MAP AND CALENDAR

Various discussions took place between the Bushbuckridge LM and ESKOM on the electrification calendar and an indication was given by ESKOM, that the following areas will not be connected to the grid within the next 5 years:

REGIONAL OFFICE	VILLAGE	NUMBER OF HOUSEHOLDS	IDP NO
Hluvukani	Welverdiend Hluvukani	850	ES113
Hluvukani	PHP	79	ES105
Hluvukani	Hluvukani	100	
Acornhoek	Burlington	200	ES007
Lillydale	Huttington	114	
Hluvukani	Islington A	179	
Total		1522	

Please refer to Annexure 3 compiled by ESKOM relating to the Bushbuckridge capacity feedback. Attached as Annexure 4 is a letter dated 17 March 2009 on behalf of the Director Municipal Works in which the figures mentioned above are confirmed.

7. SOCIO-ECONOMIC PROFILE OF THE AREA³

7.1. HISTORICAL OVERVIEW

The Bushbuckridge Municipality was established in 2000 as a result of the amalgamation of the three former transitional local councils (TLCs) of North and South Midland. Historically it was made up of the two apartheid homelands of Gazankulu and Lebowa:

- Gazankulu was designated for the Shangaan- and Tsonga-speaking people; and
- Lebowa was designated for the Pedi- and Northern Sotho-speaking people.

Until recently, it was a cross-border municipality that spread across parts of Limpopo and Mpumalanga provinces. It is now fully within Mpumalanga Province.

The Bushbuckridge Local Municipality (LM) has a population of about 509 970⁴ (approximately 124 595 households) residing in a total of 235 dispersed villages and rural settlements.

The municipality has eleven regional offices/areas and borders the Blyde River Canyon in the west and the Kruger National Park/Sabie Sand reserves in the

 ³ Extensive use was made of the *Nodal Economic Profiling Project* by *the* Business Trust and the Department of Provincial and Local Government, 2007 relating to Bushbuckridge
 ⁴ <u>http://www.statssa.gov.za/Publications/Report-03-01-21/Report-03-01-212007.pdf as viewed on 2009/03/02</u>: as viewed on 8 March 2009

east and the Manyeleti and Andover Game Reserves fall into its area along the northern border.

The municipal area faces large infrastructure and service backlogs, with access to water posing the single greatest challenge.

Bushbuckridge has a limited economic base, and only 14% of the adult population is employed. The local economy is strongly driven by remittances.

The majority of the land is traditionally administered, with approximately 83% of the total municipal area currently under land claims.

A lack of urban/settlement planning and the resulting residential sprawl is complicating and driving up cost of service delivery and may affect the future viability of agriculture as land becomes scarce.

7.2. PERCENTAGE OF HOUSEHOLDS BY TYPE OF ENERGY USED

7.2.1. LIGHTING

Percentage distribution of households by type of energy/fuel used for lighting:

HOUSEHOLDS	SA		MP		BBR	
	2001	2007	2001	2007	2001	2007
Electricity	69,7	80,1	68,9	82,2	78,9	90,1
Gas	0,2	0,2	0,3	0,1	0,1	-
Paraffin	6,8	5,3	4,4	2,8	4,4	0,8
Candles	22,7	13,7	25,9	14,3	16,0	7,8
Solar	0,2	0,2	0,2	0,2	0,1	1,0
Other	0,3	0,5	0,4	0,5	0,4	0,3

7.2.2. HEATING

Percentage distribution of households by type of energy/fuel used for heating

HOUSEHOLDS	SA	SA		MP		
	2001	2007	2001	2007	2001	2007
Electricity	49,0	58,7	37,4	45,0	28,9	27,7
Gas	1,1	1,0	0,8	0,8	0,3	0,1
Paraffin	14,6	13,0	7,3	5,9	3,8	3,6
Wood	24,6	20,2	30,7	26,5	61,6	66,0
Coal	6,6	3,9	19,1	15,9	0,4	0,1
Animal dung	0,7	0,2	0,6	0,3	0,2	-
Solar	0,2	0,1	0,3	0,2	0,3	0,1
Other	3,1	2,8	3,8	5,3	4,5	2,3

7.2.3. COOKING

7.2.3.1. Percentage distribution of households by type of energy/fuel used for cooking

HOUSEHOLDS	SA	A MP			BBR	
	2001	2007	2001	2007	2001	2007
Electricity	51,4	66,4	38,0	55,7	23,0	36,0
Gas	2,5	2,0	1,8	1,2	1,2	0,8
Paraffin	21,4	14,8	15,9	13,3	8,3	5,6
Wood	20,5	15,2	28,4	21,0	66,6	57,2
Coal	2,8	1,2	14,4	8,3	0,2	0,2
Animal dung	1,0	0,2	0,8	0,3	0,2	-

Solar	0,2	-	0,3	-	0,2	0,2
Other	0,2	0,1	0,3	0,1	0,4	0,2

7.3. **OFF-GRID HOUSEHOLD ENERGY USE**

- 7.3.1 According to a study⁵ conducted during 2002 in the Bushbuckridge area⁶, the following observations were made:
- 7.3.1.1 Almost a decade after the introduction of electricity, over 90% of households still used fuel wood for thermal purposes, especially cooking, and the mean household consumption rates over the 11 year⁷ period had not changed, even with a policy of 6 kWh per month of free electricity.
- 7.3.1.2 The proportion of households purchasing fuel wood had increased, probably in response to a number of factors, including:
 - increased fuel wood scarcity in the local environment as ٠ reflected by increased fuel wood collection times, changes in fuel wood species preferences, and ranking of scarcity by local collectors: and
 - increases in the price of fuel wood well below that of other fuels and the prevailing inflation rate.
- 7.3.1.3 The majority of households in the region depend on biomass fuels as their primary source of energy, especially fuel wood. Collected fuel wood accounts for a large proportion of the total fuel wood used in the region although some households buy it from local vendors. Other fuel types used include paraffin, candles, gas, coal, dry cell batteries, dung and lead acid batteries. Across all settlements mean consumption of wood was reported at 317.2 kg per household per month in 2002.

⁵ Changes in fuel wood use and selection following electrification in the Bushbuckridge lowveld, South Africa M. Madubansi and C.M. Shackleton ⁶ The survey was conducted in Athol, Okkerneutboom, Rolle, Welverdiend and Xanthia

⁷ Period between 1991 and 2002 when the last study was conducted

- 7.3.1.4 Most of the fuel wood is gathered free of charge from the surrounding environment and 64% of house gathered fuel wood in 2002. The decline in the proportion of households collecting their own fuel wood mirrored the increase in those purchasing fuel wood, as well as a decline in fuel wood availability as measured through collection time. There was a significant increase in the time spent on fuel wood collection between 1991 and 2002, from 239 minutes per trip in 1991 to 268 minutes per trip in 2002.
- 7.3.1.5 There is an increase of households purchasing fuel wood as an increasing number of people no longer considered fuel wood to be a free commodity.
- 7.3.1.6 Fuel wood gatherers frequently cut live wood because of the relative scarcity of deadwood. The proportion of households admitting to cutting wood in the region was 49% in 2002. Many households were reluctant to admit their involvement in wood cutting, except where this was obvious, such as a pile of recently cut wood within the vicinity. Such reluctance was related to fears of arrest. Over 60% of households reported that wood collection became more difficult as dry wood was not easily available. Other reasons given was the presence of criminals deterring collectors from walking long distances to locate dry wood, and the other that they were getting old and could not longer walk far. The latter suggests an aging population, or that younger households are more reliant on electricity.
- 7.3.1.7 Despite the increase in fuel wood scarcity and the availability of electricity, the majority of households continued using wood as their main source of energy for thermal applications. This emphasises the importance of fuel wood as an energy source for cooking, heating water and keeping warm. Yet the proportion of households lighting a fire (outside) for keeping warm had decreased dramatically.

- 7.3.1.8 The monthly consumption rates of fuel wood remained unchanged between 1991 and 2002. Annual consumption was approximately 3.8 tons per household, which is well within the range reported by others from the southern African region. Only 1% of the households in the region used only electricity for all thermal purposes. A few households that used paraffin and gas for cooking did so in combination with fuel wood. Thus, rural households have a complex mix of energy sources that they use at different times and for different purposes, as do poor peri-urban and urban communities.
- 7.3.2 Trees can only be cut in tribal areas once a permit has been issued by the tribal auhority. If found cutting down a tree that bears edible fruits, people are fined. The fines are as follows:
 - Chief Khosa Jongilanga (Jongilanga Tribal Authority) R500;
 - Chief Nxumalo (Amashangana Tribal Authority) R500 and confiscates the cutting tools (axes, saws and pangas);
 - Chief Chiloane (Sehlare Tribal Authority) R300; and
 - Chief Mnisi (Mnisi Tribal Authority) R300.

Charges for the permit range differ from one Tribal Authority to the next. Permits start from R1.00 for 10 poles⁸.

7.3.3 The National Department of Social Development offered to undertake an in-depth survey prior to the installation of the Fenix units and then another survey within six months after installation to determine the change in

⁸ Evaluation of the Marula Project in Bushbuckridge: Prepared by Felicia Chiloane and Jackson Phala: September 2002: p13

household patterns after being exposed to the features the Fenix offers. The survey is due to commence during the second week in April 2009.

- 7.3.4 The current method of delivering fuel wood is by way of a wheelbarrow and the principle of necessity applies where a household would use such delivery over a period of two days. In view of different trees being used the accurate weight is difficult to determine, however, the amount spent was taken as the norm. The price per wheelbarrow varies between R 25-00 and R 30-00 resulting in a price of approximately R 2-50 per kg.
- 7.3.5 The current price of paraffin is R 9-00 per litre and candles around R 15-95 per packet of six. The following is a summary of total monthly energy costs for off-grid households:

				Dry cell	
	Candles	Paraffin	Wood	bat	TOTAL
Small HH (4 persons)	24	20		2	
Rand	63.60	180.00	375.00	42.00	660.60
Medium HH (6					
persons)	30	25		2	
Rand	79.50	225.00	375.00	42.00	721.50
Big HH (8 persons)	36	30		2	
Rand	95.40	270.00	375.00	42.00	782.40

8. COMMUNITY FACILITATION

8.1. CO-OPERATIVE BUSINESS ARRANGEMENTS

Phambili acquired a generic constitution – please refer to Annexure 5 - and a preincorporation agreement - please refer to Annexure 6 - from a professional service provider which will be used as basis for the business arrangements between Phambili and the to-be established co-operative. The professional service provider will facilitate both the pre-incorporation agreement and the constitution with the founder members to be identified.

8.2. MINUTES OF PUBLIC FACILITATION MEETINGS

Meetings with beneficiary communities were held on 18 and 19 March 2009. The following minutes are attached:

Annexure 7 Hluvukani: 18 March at 09:00;

Annexure 8 Islington: 18 March at 11:00;

Annexure 9 Burlington: 18 March at 14:00; and

Annexure 10 Huttington: 19 March at 12:00

8.3. LISTS OF FENIX BENEFICIARY HOUSEHOLDS

Attached please find the lists of persons who attended the facilitation meetings and expressed the wish to receive a Fenix unit. Attention is directed that these list are not final and that a final verification will be undertaken in conjunction with the Bushbuckridge LM.

Annexure 11 Hluvukani;

Annexure 12 Islington;

Annexure 13 Burlington; and

Annexure 14 Huttington.

9. POSSIBLE ESTABLISHMENT OF OTHER SME'S

9.1. ECONOMY OF BUSHBUCKRIDGE⁹

Bushbuckridge is exceptionally poor – over 85% of households live below the household subsistence level (HSL) and only 14% of the adult population are employed. The description of the economy of Bushbuckridge is provided at three levels: GDP (output), employment and consolidated sectoral analysis. The nodal economy essentially comprises four divergent sub-economies: **Government and public service:** Public spending (infrastructure spending,

salaries) is an important source of capital for the area.

- **Services and retail:** There are a number of shopping centres in some of the larger towns. These host national brands like Spar, Shoprite, Jet, OK Furniture, Pep and Chicken Licken. Informal trading also occurs.
- Agriculture: Although there is very limited commercial farming at present in Bushbuckridge, many households rely on small-scale farming for their livelihoods. Numerous estates, which used to be large employers, lie dormant.
- **Tourism:** Some trading of arts and crafts is found on access roads to the large game farms and reserves in the east.

However, considerable income is earned outside Bushbuckridge. According to

⁹ Bushbuckridge Nodal Economic Development Profile: Narrative Report prepared by the Department of Provincial and Local Government and the Business Trust: p 7

USAid, "almost 70% of working-age males and 40% of females work outside the area for more than half the year, while half the males and 14% of females between the ages of 25 and 59 are long-term migrant workers."

The potential for economic growth is lies in two sectors, namely:

Agriculture: reactivating dormant commercial farms/unlocking growth in small holding farming; and

Tourism: developing local attractions and capturing spending of visitors to surrounding attractions.

9.2. AGRICULTURE¹⁰

The current strategy of the provincial Department of Agriculture is to move farmers up the value pyramid, which promises to unleash considerable dormant capacity in the area. Bushbuckridge is mostly a rural area, dominated by subsistence and small farming activities. Most households farm for household consumption only. The lack of access to markets implies that many producers sell only to the community. Inefficient and untargeted activity means that considerable income potential remains latent.

Numerous former Development Corporation projects lie abandoned and unused. Targeted interventions could develop subsistence to smallholding activity with creation of slight disposable income; and small farmers could move into a more commercial arena, generating stronger inflow of capital into the area. Although ecological circumstances (soil types, land and water availability) may limit the total size of commercial farming activity in the area, a considerable gap between current and potential activity remains.

¹⁰ Bushbuckridge Nodal Economic Development Profile: Narrative Report prepared by the Department of Provincial and Local Government and the Business Trust: pp 10 and 11

Agricultural development will be constrained by a shortage of water, and the competition with domestic uses and conservation will be fierce, implying the need for careful management. The area is dry, with approximately 600 mm of rain p.a. There is no rainfall from April to October, rainfall is highly variable and rain often occurs in intense downpours, increasing risk of erosion and irrigation/dam damage. There are few catchment areas in the region.

Irrigation systems currently feed off rivers, with only Champagne Irrigation being supplied by the Casteel Dam, and Injaka Irrigation by Injaka Dam. There are three major irrigation schemes, all of which are currently being rehabilitated. The area generally does not have a high groundwater-bearing capacity.

9.3. FOCUS AREAS

The initial focus of Phambili will be on household level where the proven field-tofork methodology of household food security will be introduced. Please refer to Annexure 15 for the lay-out of such garden. Mvimbi Holdings, a strategic partner of Phambili has developed a unique combination of plants to be planted in such home garden. Please refer to Annexure 16 for an outline of the aspects involved in establishing and maintaining a home garden: Outline: Sustainable Vegetable Garden Systems.

Further research will also be conducted on the marula potential of the area.

10. LOGISTICS

10.1. BIOMASS AS ENERGY SOURCE

10.1.1 Solid biofuel briquettes can be produced from wood, reeds, straw, grass sawdust or any plant material which can be grained down to particles

smaller than 3mm in diameter. Currently many thousands of cubic meters of wood, are burned on a daily basis by households to cook their meals, heating of water for washing purposes or to heat their homes in winter. Other sources used by households in this regard, are normal coal, but the pollution factor of the smoke is no longer accepted due to health risks and the "Greenhouse" effect of global warming. Phambili envisages to utilise some of this sources of biomass and to produce charcoal from it which is smokeless, odour free and which is more energy efficient.

- 10.1.2 The invasion of foreign trees like Saligna, Port Jackson, South American "Siring", Black wattle, "Rooikrans", Poplar, Lantana is a serious threat to our rivers and our indigenous Flora. DWAF started with the Working-for-Water Program (WfW) which is partly for job creation, but mainly to eradicate these invaders from our water sources. Phambili will be working in close liaison with WfW and create a large resource of raw material.
- 10.1.3 Large quantities of branches and "waste" are also available from the forestry sector. Phambili will harvest and chip down all wood resources at the site where it is available to 50 mm x 3mm chips and then transport the chips to the conversion plants for the production of solid biofuel.
- 10.1.4 There are many contractors who cut and bale the grass alongside our highways and roads. Phambili plans to procure some of this grass for the production of solid biofuel. Use will also be made of agri-rests on farms such as wheat straw and maize stover.

10.2. BIOMASS COLLECTION

The Working-for-Water Directorate of DWAF has indicated their willingness to cooperate with Phambili in the supply of biomass from invader plants. However, a supply of at least 40 ton of biomass is required on a daily basis to keep the plant operating and for that purpose, Phambili will make adequate arrangements to ensure that production is not relying solely on the WfW program.

10.3. BIOMASS CONVERSION

- 10.3.1 All the chipped material will be transported to the briquetting plant in 1 ton bulk bags from the sites where it was sourced. The chips will then be milled down to sawdust with particle sizes not larger than 3 < 6 mm in a hammer mill.
- 10.3.2 The sawdust must be dried to a moisture content between 12 > 6%, before it can be fed into the mechanical presses. If the moisture content is higher than 12%, solid briquettes can not be pressed because the moisture destroys the briquette.
- 10.3.3 Drying takes place in a circular "blower-drier" where the circulating air is heated by a fire. The fire will initially be started by wood, but the combustible gasses released in the carbonisers during the exothermic process will be routed to the driers where it will be ignited by the heat and smaller wood fire.
- 10.3.4 The dried sawdust is then fed into a dosing silo which then fed the mechanical presses at the required quantities. The press then extrudes and cuts the briquettes on a continuous basis. The briquettes are then packed into retractable containers to be carbonised
- 10.3.5 The retractable containers are then loaded with the assistance of an overhead hoist into the carboniser and the oven of the carboniser is ignited. The fire in the oven will initially be started by wood, but the combustible gasses released in the carbonisers during the exothermic process will be routed to the ovens where it will be ignited by the heat and smaller wood fire.

10.3.6 After ± 5 hrs the carbonisation process is completed and the retractable containers are hoisted out of the carboniser and transported to a "cooler"-container for curing. The carbonisers are then loaded for the next batch.

10.4. SBF PACKAGING

The solid biofuel for local distribution will be packed in transparent 20 micron plastic bags weighing 4 kg. In respect sale for the leisure market, industrial engineers have been appointed to submit proposals on packaging of the SBF and an advertising company marketing is busy with the logo.

10.5. SBF DISTRIBUTION

- 10.5.1 It is anticipated that the in the initial stages, that households will slowly switch from the current fire wood which is being used by 57.2% of households to the SBF. In respect of households using paraffin, it is expected that the change will be much quicker as it will boil down to a change in the purchase of a product.
- 10.5.2 The municipality introduced a distribution system of gel to some 3 600 households through the various regional offices as part of free-basic services.
- 10.5.3 Phambili is proposing the following alternative distribution systems:
 - Linking in with the gel distribution system; or
 - Making use of spaza shops in the various communities to sell the solid biofuel to households; or
 - Recruiting local sales ladies who will undertake the local sale of the solid biofuel; or
 - A combination of the three systems depending on circumstances.

- 10.5.4 Phambili is desirous to enter into negotiations with the municipality on the possible inclusion of the solid biofuel as part of the free-basic services
- 10.5.5 Solid biofuel not used by households will be distributed to local retail outlets and game lodges

10.6. FENIX THERMAL ENERGY UNITS

The cost of the Fenix amounts to R 10 830-00 inclusive of VAT and the following:

- Delivery on site of the household;
- Assembly on site;
- Installation including an external chimney;
- Wiring and a distribution box including a socket for the cell phone charger;
- Four LED lights;
- A radio; and
- Training to the household on the use of the Fenix.

Local persons with a technical background will be recruited for this purpose and a maintenance team will be established who will be employed by the cooperative.

11. FINANCIALS

11.1. CAPITAL OUTLAY

The main component of the carbonisation process is centred on the mechanical press which produces the extruded logs of biomass prior to carbonisation. The patented press is manufactured in Denmark and costs R 3,33 million. The following is a detailed summary of the capital required to establish the proposed conversion site, which amount is estimated at R 11 455 369,80 inclusive of VAT:

1	Land & Buildings	
	Land for buildings & storage ± 15,000 m2	40,000
	Factory building (50 tons = 350m2) (200 tons = 600m2) @	,
	R1,800/m2	1,080,000
	Electrical Installation, ventilation & Fencing	400,000
	Roads & security	70,000
	Total costs - land & buildings	1,590,000
2	Storage.	
	Redundant 6m sea containers - converted to requirements	70,000
	Conveyor belts & Augers	130,000
	· · · · ·	200,000
3	Sourcing.	200,000
Ű	Chainsaws.	9,000
	Mobile Chipper P.T.O driven	175,000
	52 Kw tractor to drive Chipper (2nd Hand)	65,000
	58 Kw tractor & front-end loader with 6m trailer (2nd Hand)	300,000
	5 ton Log splitter hydraulic	30,000
		579,000
4	Processing.	579,000
4	Hammer mills (between 350 - 950kg/hr)	140.000
	Roll grid	140,000
	Circulating Biomass Dryer	70,000
	Augers & Conveyor Belts	280,000
	Augers & Conveyor Bens	70,000
		560,000
5	Briquetting.	
	Mechanical Press	3,328,518
	Briquette press (Charcoal grains)	0
		3,328,518
6	Carbonising.	
	Carbonisers	1,250,000
	"Cooling-bay"	120,000
	Overhead Hoist with rails	300,000
	Exhaust gas Pipe network	90,000
		1,760,000
7	Packing & Dispatch.	
	Scales & Vacuum sealers	40,000
	Pallet Wrapper	35,000
	Trolley Jacks	38,000
		113,000

8	Vehicles.	
	8 ton Truck & Trailer (2nd Hand)	850,000
	1 x LDV (2nd Hand)	175,000
		1,025,000
9	Professional fees & contingencies @ 10%	813,052
10	Environmental Impact Assessment	80,000
	Sub Total	10 048 570
	VAT @ 14%	1 406 799,80
	Total Estimated Capital Outlay	11 455 369,80

11.2. PRODUCTION COST CENTRES

11.2.1. SOURCING

	COST PM		
Chainsaw			
Operators	9	1450	13050
General			
Labourers	19	1350	26650
Tractor			
Driver	3	1400	4200
TOTAL	23		43900

11.2.2. PROCESSING

P			
	COST PM		
Chipper			
Operator	1	1450	1450
Ham.mill & Log Sp.Ope.	3	1450	4350
General			
Labourers	5	1350	6750
TOTAL	9		12550

Ма					
	Number Cost ZAR				
Drying of grains	3	1400	4200		
Mech. Press Operator	3	2500	7500		
Carbo- nising	3	2000	6000		
General Labourers	10	1350	13500		
Cooling emptying	3	1350	4050		
TOTAL	22		35250		

11.2.3. MANUFACTURING

11.2.4. INDIRECT COSTS

In			
	COST PM		
Workshop			
Technician	1	2500	2500
Transport			
Driver	1	4500	4500
Dispatch			
packers	14	1350	18900
General			
Labourers	6	1350	8100
TOTAL	22		34000

11.3. ESTIMATED INCOME AND EXPENDITURE STATEMENT

SOLID BIOFUEL PRODUCTION - BOSBOKRAND CO-OPERATIVE.

PROJECTED INCOME & EXPENDITURE STATEMENT				
PER MONTH IN TONS : 200				
INCOME				
Charcoal sold	464 843			
Total Income	464 843			
Expenditure	414 843			

Direct Costs	245 901
Sourcing	147 211
 Processing	32 860
Manufacturing	65 830
Indirect Costs	168 942
Indirect Costs	168 942
Nett Profit	50 000
Nett Profit %	11%

11.4. ESTIMATED MONTHLY EXPENDITURE STATEMENT

2	EXPENDITURE		
	Direct Production Costs.		
2.1	SOURCING		
а	<u>Fuel -</u>		
	Diesel consumption by tractors @ 220l/tractor per week	Ι	850
	Diesel consumption by truck @ ± 800km per week	Ι	900
	Total consumption		1 750
	Estimated price per lit	R	7.10
	Cost per week	R	12 425
	Petrol & 2-stroke oil for chainsaws @ 25 I /day/chainsaw	Ι	150
	Estimated price per lit mix	R	8.50
	Cost per week	R	1 275
		w	4.33
	Estimated costs per month	R	59 321
b	Powersaw chains & lubricants		
	12 new chains/month /chainsaw	R	1 450
	Chainoil @ 5 l/month/chainsaw		360
	Estimated costs per month	R	1 810
С	Herbicide.		
	Tordon/Access - killing of trees which was cut.(cost/l)	R	170
	Estimated consumption per month	I	0
	Estimated costs per month	R	0
d	Repairs & Maintenance		
	- mechanical presses (± eur 1.70/ton + 2.70/hr on BP5500)	R	26 880
	- machinery & equipment per month		4 200
	- tractor & trailer		2 500
	- vehicles		8 500
	Estimated costs per month	R	42 080
е	Protective clothing		
	Gloves, gogeles, masks, etc.		1 100
	Estimated costs per month	R	1 100
2.2	PROCESSING.		
2.2			

а	Bags.		
	Poly propolyne bags for storring, etc - 1ton mass bags	mb	95
	Estimated cost per bag	R	42.50
			4 038
	Poly propolyne bags for storring, etc - 80kg bags	b	600
	Estimated cost per bag	R	3.10
			1 860
	Estimated costs per month	R	5 898
b	Protective clothing		
	Gloves, gogeles, masks, etc.		450
	Estimated costs per month	R	450
С	Electricity usage.		
	Dryer motor @ 17kw running/hour.	kw	16 700
	Hammer mill motor @ 37 kw running for 144 hours /week	kw	37 000
	Total estimated consumption		53 700
	Cost per Kw hour	R	0.26
	Estimated costs per month	R	13 962
2.3	MANUFACTURING.		
а	Electricity usage.		
	Augers, conveyor belts, overhead hoist, etc. tot 15kw	kw	10 500
	Mechanical Press running for 144 hours/week	kw	33 000
	Extraction fans, lights & hoist motors @ 25kw for 144 hrs	kw	14 500
			58 000
	Cost per Kw hour	R	0.26
	Estimated costs per month	R	15 080
b	Protective clothing		
	Gloves, goggles, masks, etc.		500
	Estimated costs per month	R	500
f	<u>Salaries</u>		
	General supervisor x 3 -per month	R	15 000
2.4	Indirect Costs.		
<u>a</u>	Repair & maintenance.		
	Workshop consumables - monthly estimated consump.	R	4 200
b	Fuel.		
<u> </u>	Diesel consumption per week - truck	1	1 800
	Diesel consumption per week - LDV	1	175
	Total estimated consumption per week	·	1 975
	No of weeks		4.33
	Total consumption per month		8 552
	Estimated price per lit	R	7.10
	Estimated costs per month	R	60 717
с	Packing material.		50717
U	Estimated production per month	kg	200 000
	Number of 4kg bags		47 500
	Estimated cost per plastic bag	R	0.99
	Total costs for bags		47 025

	Staplers, pallets & netting - estimate/month		17 000
	Estimated costs per month	R	64 025
d	Electricity usage.		
	Estimate cost per month		1 800
е	Rent of Premices.		
	Monthly rent payable for renting of sheds @ R7.50 / m2.		0
	900 m2 @ R7.50 / m2.		
g	<u>Telephone costs</u>		
	Telkom & Fax	R	1 700
	Cellphone costs		2 500
	Estimated costs per month		4 200

11.5. ESTIMATED MONTHLY INCOME STATEMENT

<u>Co-operative</u>			
Cost per Kg	R 2.07		
Income	<u>per Kg</u> R	<u>per Ton</u> R	<u>per Month</u> R 50
Mark-up per kg for co-operation (their profit)	0.25	250.00	000.00

Phambili Energy

Cost per Kg	R 2.32		
Income Mark-up per kg for Phambili Energy (our turnover)	<u>per Kg</u> R 0.68	<u>per Ton</u> R 680.00	<u>per Month</u> R 136 000.00
Less: Expenses Logistics	R 0.25 R	R 250.00 R	R 50 000.00 R 36
Marketing	0.18	180.00	000.00
Mark-up per kg for Phambili Energy (our profit)	R 0.25	R 250.00	R 50 000.00

Retailer / Final Vendor

Cost per Kg	R 3.00		
Income	<u>per Kg</u> R	<u>per Ton</u> R	<u>per Month</u> R 100
Mark-up per kg for Phambili Energy (our profit)	0.50	500.00	000.00

Consumer	<u>per Kg</u>	<u>per Ton</u>	per Month
	R	R 3	R 700
Consumer Price	3.50	500.00	000.00

11.6. OPERATING COSTS

The funding received for the project only covers the cost for preparing the feasibility report and the plant and equipment. The Department of Trade and Industry introduced the Co-operatives Incentive Scheme (CIS)¹¹. CIS is offered as a 90% matching grant towards the qualifying expenditure incurred/to be incurred by the co-operative. The incentive scheme will operate for a period of five years, starting 2005/6 financial year. A co-operative is eligible for a total grant not exceeding R300 000-00.

The Department of Economic Development and Planning will be approached to assist the co-operative in gaining access to the CIS and to provide the balance required as an interest free loan to the co-operative which loan will be repaid from profits made by the SME.

The amount required as operating cost is estimated at R 300 000-00.

11.7. FINANCIAL IMPACT

- The total cost for the plant and equipment is estimated at
 R 11 455 369,80 whereby 84 direct and 45 indirect new jobs a
 total of 129 new jobs will be created at a cost of approximately R 88
 800 per job opportunity¹².
- 11.7.2 The cost to produce 1 kg of solid biofuel by the SME owned by the co-operative is estimated at R 2-07. A mark-up of R0-25 per kg by

¹¹ DTI Booklet: Co-operative Incentive Scheme Guidelines

¹² The consensus amongst development specialists is that, on average, it costs about R million to create one new, permanent, middle-income job in South Africa: Article "How Much Does it Cost to Create a Job?" which appeared in the Swiss-South African Co-operation Initiative in December 2001

the SME as profit will take the price to R 2-32 which Phambili will pay to the SME. Phambili will add the following to this price:

- Logistics: R 0-25 per kg;
- Marketing: R 0-18 per kg; and
- Mark-up and management fee: R 0-25 per kg

which takes the price to R 3-00 per kg. The profit for both the SME and Phambili will amount to R 50 000-00 per month.

- 11.7.3 It is necessary to draw a comparison between the energy values between the gel being used by some 3 600 households and the solid biofuel. According to the survey, the municipality provides 5 litres of gel free to the household who uses on average 10 litres of gel per month. The use of the gel is limited to cooking only. The calorific (energy) value of the gel is 40 Mega Joules (mJ) per litre which gives a household 400 mJ per month. In the case of the solid biofuel, the calorific value is 28 mJ per kg. A household will use approximately 4 kg of solid biofuel per day which will bring the monthly consumption to approximately 120 kg with a total calorific value of 3360 mJ a difference of 2960 mJ in comparison to households receiving the gel.
- 11.7.4 It is also necessary to draw a comparison between the energy values between fuel wood and SBF. The calorific (energy) value of fuel wood is 18 mJ per kg with a value of R0-14 per mJ. The SBF has a calorific value of 28 mJ per kg with a value of R 3-89 per mJ which means that the SBF is 27 times more efficient than fuel wood for the same weight.

- 11.7.5 According to the survey, the gel is costing R 200 for 4 liters with a total monthly expenditure of approximately R 400 for cooking only. In the case of the solid biofuel, 120 kg will cost the household R 360 if the solid biofuel is sold directly by Phambili to the beneficiary household with the advantage of having lights, a space heater, a cell phone charger, power for the radio, a geyser, two plates for cooking and fresh water.
- 11.7.6 There are some marketing options open such as:
- 11.7.6.1 In view of this being a pilot project, the municipality could decide to introduce the sold biofuel (SBF) as part of free-basic services policy whereby a household will receive 60 kg of SBF free which covers two week's consumption and to avail the SBF to households at R 3-50 per kg. This will mean that if a household use 120 kg per month, it will receive a benefit of R 180 and pay for the balance at R 3-50 per kg amounting to R 210-00 which in real terms cost the municipality only R 150 per month per household for free basic services; or
- 11.7.6.2 Distribute the SBF to spaza shops and allowing them a mark-up of R 0.50 per kg taking the price to R 3-50 per kg which will cost a household using 120 kg per month R 420-00 pm; or
- 11.7.6.3 Recruit sales ladies who will sell the SBF to Fenix beneficiary households at R 3-50 per kg which will generate a salary of approximately R 2 000 per month on condition that 4 ton of SBF is sold. If all beneficiary households (1522) were to consume 120 kg per month, this will mean a consumption of almost 183 tons which could result in an additional 45 indirect job opportunities.
- 11.7.7 In conclusion, the introduction of the Fenix combined with the SBF will result in substantial nett monthly savings for off-grid households

in as much as they will not have to buy firewood, candles, dry cell batteries and paraffin but only SBF at around R 3-50 per kg. The following tables depicts the expected savings:

	Candles	Paraffin	Wood	Dry cell bat	TOTAL	FENIX and SBF	NETT SAVING	%
Small HH (4 persons)	24	20		2		120 kg		
Rand	63.60	180.00	375.00	42.00	660.60	420.00	240.60	63.7
Medium HH (6 persons)	30	25		2		130 kg		
Rand	79.50	225.00	375.00	42.00	721.50	455.00	266.50	63.5
Big HH (8 persons)	36	30		2		140 kg		
Rand	95.40	270.00	375.00	42.00	782.40	490.00	292.40	62.6

12. ANNEXURES

12.1. ANNEXURE 1: LETTER OF APPOINTMENT DATED 12 MARCH FROM THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND PLANNING

ANNEXURE 1

MPUMALANGA PROVINCIAL GOVERNMENT

Building No 4 No. 7 Government Boulevard Riverside Park Extension 2 Nelspruit 1200 South Africa



Private Bag X 11215 Nelspruit, 1200 Tel: 013 766 4571 Int: +27 13 766 4394 Fax: 013 766 9458 Int: +27 13 766 9458

Department of Economic Development and Planning OFFICE OF THE HOD

Litiko Letekutfutfukiswa Kwetemnotfo nekuHlela Umnyango Wezokuthuthukiswa KoMnotho nezokuTlanywa Departement van Ekonomiese Ontwikkeling en Beplanning

12 March 2009

The Project Manager **Phambili Energy** 96 Lindfield Road Lynwood Manor **TSHWANE** 0001

Attention: Mr Musa Msimango

APPOINTMENT AS A SERVICE PROVIDER FOR ESTABLISHMENT OF A BIOMASS PILOT PROJECT IN BUSHBUCKRIDGE LOCAL MUNICIPALITY IN MPUMALANGA PROVINCE.

It is my pleasure to inform you that the Department has appointed your company Phambili Energy to do a scoping study for the establishment of a Pilot Project: Energy Products in Bushbuckridge Local Municipality.

This appointment is subject to the signing of a contract between your Company and the Department. You will be expected to present the project scope, work plan, detailed budget (with professional fees rates, VAT on fees, disbursements inclusive of VAT and deliverables/milestones), project team members and responsibilities to the Steering Committee that will be managing the project.

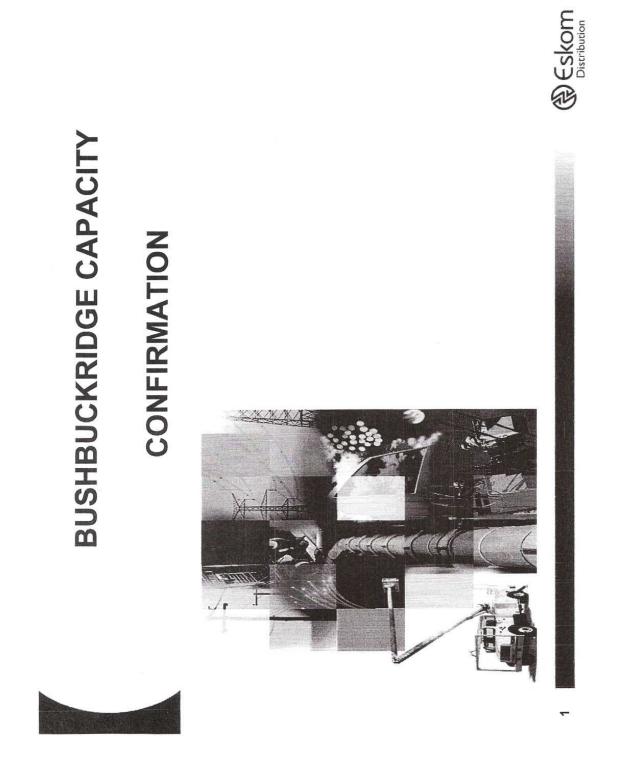
The contract will only be finalized once all the above issues have been addressed.

All technical queries should be directed to Mr MM Mathebula, the project leader, on cellphone No. 079 551 3820

Kind Regards MR M MAZIBURQ HOD: ECONOMIC DEVEL OPMENT AND PLANNING DATE: Y D PGG

12.2. ANNEXURE 2: FENIX ACCREDITATION

12.3. ANNEXURE 3: ESKOM: BUSHBUCKRIDGE CAPACITY FEEDBACK



55

		CLOSEST POLE NUMBER	STATUS
Welverdiend	850	AT 148/218/64 & AT 148/303/2 / TM234/72/5	DO NOT CONNECT
Burlington	200	AT148/50 AT148/75/48	DO NOT CONNECT
Waterval RDP/Opposite RDP/Marcia	91	KOA125/61/7 & KOA125/74/1	
Dumphries A,B,& C	320	TC81/38/4/110/11 / TL81/4/62/20/5	CONNECT
Belfast Ext	90	ССК69/4	CONNECT
Crouquet Lawn Ext	150	TAC 197 & TC216-7-7-9	
Hluvukani	179	AT 148/217/13	DO NOT CONNECT
Hluvukani PHP	100	AT148/201	DO NOT CONNECT
Sommerset PHP	100	CL22/44/7	DO NOT CONNECT
Songeni Bombanani	24	AT 242/15/18 & AT 242/15/6 & AT242/16A/2	DO NOT CONNECT
Songeni Mabumbu	60		
Dingledale B	50		
Sondela Tekamahala	28		

2

C Eskom

VILLAGE NAME	PROPOSED CONNECTIONS	CLOSEST POLE NUMBER	STATUS
Thabakgolo	10	NV 37/14/9	
Orinocco A Hlamalani	98	TDW100/82/8/1	CONNECT
Orinocco Sibambayani	30	TDW100/82/8/1	CONNECT
New Forest B Tsuvulani	21	TDW95/11	CONNECT
Nkotobona	83	AK88-44-20	
Dospan	50	NV 138/3	
Shatale RDP	41	NV37/1/23	
Gottenburg A & C	215	AT148/293/26/5	
Gajosefa Ext Matshelapata	72	AC104/12A	
Wisani Ga Zitha	44		
Buffelshoek Tshabelang	41		
Greenview Garden	500	AM15-3-2 & AM18/2	
Tintswalo Ext	300	ATB59/16/16/22	



VILLAGE NAME	PROPOSED CONNECTIONS	CLOSEST POLE NUMBER	STATUS
Buffelshoek (Jerusalem & Four ways)	21		
Brooklyn	150		
Plazaview 2	246		
Makaringe Hlavati School	30		
Kumane zigode riverside	280		
MP Stream Nyamande School	27	TC75/57	CONNECT
Ludlow	110		
Landela A Lephong	14		
Rolle A	93	TM41/9	CONNECT
Landela B	326		
Rooiboklaagte A	121	Post connections	
Rooiboklaagte B	18	AC121-23 & AC121/2/1	
Maromeng	43	AC35/39/10/10/14 & AC5/39/10/10/1	
Edinburg B	100	TM63/34/13/4	CONNECT
Zola B	168		
Siza Gogo	200		
Ireagh a ka masuku	300	CL145/17/4	DO NOT CONNECT
Cunningmore B	100	KOA359/4	DO NOT CONNECT
Newington A	89	TC216/7/1	CONNECT
M P Stream ka Kopeni	150	TC75/17/2A	CONNECT
Agincourt	100	TC180/2/3	CONNECT
Xanthla	80	NA81/217	CONNECT



VILLAGE NAME	PROPOSED CONNECTIONS	CLOSEST POLE NUMBER	STATUS
Motsi Ireagh B	25		
Huntington	114	CL34/26/B	DO NOT CONNECT
Kildare B Nwankupani	36	CL188/4/1/5	DO NOT CONNECT
illydale Hlanguleni	50	CL114/10	CONNECT
Goromani New Skom	40	MHA136/14/3	
Wern Caloutta	25		
Dakely Soweto	130	KOA287/30	DO NOT CONNECT
Dakely New Skom	85		
Dakely Hlangalezwe	80		
Boikutso Bamba Matches	100	LM65/42/3/31/4A	
Buylsnto	50	NA18/23	CONNECT
Tshamisekani			
Buyisonto Banga Section	100	NA18/23	CONNECT
Buyisonto Sam Mnisi School	40	NA18/23	CONNECT
Dwarsloop	8	NV20/4/2	DO NOT CONNECT
Motibidi	100	NV20/14/5	DO NOT CONNECT
Mathule	59		
Relani Cross	75	NV20/24	DO NOT CONNECT
Zoeknog Mphethi	13	NV10/73/19	DO NOT CONNECT
Sofaya	16		
Athol	36	TM99/8/84	CONNECT

5

C Eskom

VILLAGE NAME	PROPOSED CONNECTIONS	CLOSEST POLE NUMBER	STATUS
Hluvukani Islington A	179	AT14A/209/9/3	DO NOT CONNECT
Delani ka Shorty	37		
Technical Acornhoek	52	NV37/65/3/6/7 / ACJ39	DO NOT CONNECT
Happy Dam	150	ACJ-6-3	
Powerline	150	ACJ-39-24	
Dikolobeng	8		
Matokereng	140		
Seville A,B,C	100		
Half Rolle Charles Mbongeni School	24	TM63/16	CONNECT
Hokwe Nobody	34		
Oakley Next to Magorushi School	25	KOA265/36/6	DO NOT CONNECT
Oakley Next to Mothibela Bottle Store	70	KOA265/36/6	DO NOT CONNECT
Cunningmore A	150	CL316A/4	DO NOT CONNECT
Mbongampisi	4		
Madras	5	KOA82/18/1	DO NOT CONNEC
Buyalani	21		
Sunford	42		
College View	40	KOA125/61/38	DO NOT CONNEC

12.4. ANNEXURE 4: LETTER FROM BUSHBUCKRIDGE CONFIRMING THE NUMBER OF HOUSEHOLDS THAT QUALIFY FOR THE FENIX

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BUSHBUCKRIDGE LOCAL MUNICIPALITY

 Tel.: (013) 799 1851
 P

 (013) 799 1857
 E

 Fax.: (013) 799 1865
 1

 Cell. 079 874 3331
 Email: malebanej@bushbuckridge.gov.za

Private Bag X9308 BUSHBUCKRIDGE 1280

17 March 2009

The Director Phambili Energy 96 Lindfield Road Lynwood Manor **PRETORIA** 0001

Attention: Musa Msimango

CONFIRMATION OF PROJECTS FOR PILOT SOLID BIOFUEL AND FENIX COMBINED DOMESTIC HEATING POWER UNIT: BUSHBUCKRIDGE LOCAL MUNICIPALITY

- 1. Your appointment letter dated 11th December 2008 has reference.
- 2. The municipality is hereby confirming the following villages for a pilot project initiated:

REGIONAL OFFICE	VILLAGE	NO. CONNECTIONS	IDP NO.
Hluvukani	Welverdiend	850	ES113
Hluvukani	Hluvukani PHP	79	ES105
Hluvukani	Hluvukani	100	
Acornhoek	Burlington	200	ES007
Lillydale	Huttington	114	
Hluvukani	Islington A	179	
TOTAL		1 522	

Regards,

7 C.M. Mathebula Pr CPM Director Municipal Works

12.5. ANNEXURE 5: GENERIC CO-OPERATIVE CONSTITUTION CONSTITUTION OF THE BBR AGRICULTURAL CO-OPERATIVE LIMITED

1. NAME

The name of the Co-Operative is the BBR AGRICULTURAL CO-OPERATIVE LIMITED.

2. FORM OF CO-OPERATIVE

This is the Constitution of a business undertaking formed as a Primary:

- 2.1. Agricultural;
- 2.2. Consumer; and
- 2.3. Livelihood creation: -

Co-operative with limited liability in terms of the provisions of the Co-operatives Act, 2005 (Act 14 of 2005).

3. DEFINITIONS

In this Constitution, unless the context indicates otherwise, a word or expression to which a meaning is attached in the Co-operatives Act, 2005 shall have a similar meaning and:

"the Act" means the Co-operatives Act, 2005 (Act No. 14 of 2005);

"Co-operative" means the BBR AGRICULTURAL CO-OPERATIVE LIMITED that is incorporated in terms of the ACT;

"entrance fee" means a once off fee payable to obtain membership of the cooperative, and is paid on application for membership;

"gender" a reference in this Constitution to the masculine gender shall also include the feminine gender and vice versa;

"membership fee or subscription fee" means an annual fee payable towards the running of the Co-operative, and may be paid off in equal monthly installments;

"member loan" means a loan made by a member to the Co-operative in terms of clause 62;

"patronage proportion" means the proportion which the value of the transactions conducted by a member with the Co-operative during a specified period bears to the value of the transactions conducted by all the members during the same period with or through the Co-operative;

"pre-incorporation agreement" means the agreement entered into by the founding members and Phambili Energy (Pty) Limited in terms of Section 9 of the Act.

4. PLACES OF BUSINESS

The main place of business of the Co-operative is situated at xxxxx, Bushbuckridge Local Municipality, Mpumalanga Province.

5. OBJECTIVES

The objectives of the Co-operative are:

- 5.1. to undertake the marketing of agricultural products;
- 5.2. to produce and/or process agricultural products or to manufacture any article there from and to dispose of the product or thing into which it was processed or articles so manufactured;
- 5.3. to hire, buy or otherwise acquire and to let, sell or otherwise supply requisites, necessary or used for or in connection with farming operations;
- 5.4. to hire, buy or otherwise acquire, or produce or process or manufacture and to let, sell or otherwise supply any article of consumption;
- 5.5. to hire and/or acquire land for own farming purposes, establish or erect and to use or make available for use facilities necessary for or useful in connection with farming operations;
- 5.6. to render services, necessary for or useful in connection with farming operations;
- 5.7. to render any other services, including services relating to the buying, selling and leasing of immovable agricultural property;
- 5.8. to undertake insurance business which relates to farming risks to farmers;
- 5.9. to hire, buy or otherwise acquire consumer products on a wholesale basis and to sell and hire same to members and the community;
- 5.10. to produce and/or process products or to manufacture any article there from and to dispose of the product or thing into which it was processed or articles so manufactured; and
- 5.11. to establish and hold shares in companies to e established to give effect to the objectives of the Co-operative.

6. DESCRIPTION OF BUSINESS AND ANY RESTRICTIONS ON BUSINESS

- 6.1. The main business of the Co-operative will be:
- 6.1.1. the establishment and/or acquisition of agricultural and/or other businesses and operated for the Co-operative's own account as approved by the Co-operative from time for the sole purpose of the creation sustainable livelihoods for members and the Tigani community and the sale of such products to members and the local community and the export of surplus products to other areas in South Africa;
- 6.1.2 the establishment of a consumer supply undertaking in terms of which consumer goods will be acquired on a wholesale basis and sold to the members and the local community for profit with due recognition to patronage benefits of members and taking into account the interests of members and locally established traders;
- 6.1.3. the rendering of agricultural and financial support services to members of the Co-operative in terms of rules accepted in terms of Clause 45 hereof; and
- 6.1.4. to give support to the implementation of the Department of Minerals and Energy's pilot project by Phambili Energy (Pty) Ltd relating to the production of solid biofuel and the distribution of Fenix Thermal Units to off-grid households as accepted by the Mpumalanga Department of Economic Development and Planning and the Bushbuckridge Local Municipality as detailed in clause 73 hereof.
- 6.1.5. to give support to the socio-economic initiatives of the Bushbuckridge Local Municipality, Mpumalanga Province; and
- 6.1.6. to launch its own socio-economic initiatives as approved by the cooperative from time-to-time.
- 6.2. The Co-operative may not conduct the following activities:
- 6.2.1. activities of a housing co-operative;
- 6.2.2. activities of a worker co-operative;
- 6.2.3. activities of a co-operative burial society; and
- 6.2.4. activities of a financial services co-operative;

7. MEMBERSHIP

7.1. Requirements for membership

Any natural person, who is over the age of 18 years, may on application to the Board, become a member of the Co-Operative.

7.2 Restrictions to membership

Only persons residing within theBushbuckridge Local Municipality in Mpumalanga Province may apply for membership.

7.3 Associate Members

Any natural person, who is over the age of 18 years, may on application to the Board, become an associate member of the Co-operative subject to rules adopted by the Board in accordance with Clause 45 of the Constitution.

8. Application for membership

- 8.1. Application for membership and for the number of shares an applicant wishes to take up shall be made on the form provided for that purpose, and shall be accompanied by the entrance fee.
- 8.2. The Board must consider every application for membership and has the right to accept or reject an application.
- 8.3. The Board must, within 2 months after receipt of an application for membership, notify the applicant of its decision and, in the event of an application for membership being rejected, any amount paid by the applicant to the Co-operative must be refunded to him.
- 8.4. A person becomes a member of the Co-operative when his application for membership has been accepted by the Board and a share is issued or transferred to him.
- 8.5. A person becomes an associate member of the Co-operative when his application for membership has been accepted by the Board and an associate membership certificate is issued to him subject to rules adopted in terms of Clause 45 by the Board.

9. Entrance Fee and Membership Fee / Subscription Fee

- 9.1. An Entrance Fee of R xxxxx (xxxxx Rand) must be paid on application for membership. Such fee is not refunded on termination of membership: Provided that in the case of Founder Members, such fee is payable within 30 (thirty) days after the Co-operative was incorporated
- 9.2, A Membership Fee of R xxxxx (xxxxx Rand) must be paid annually: Provided that a member may pay off the subscription fee in equal monthly installments. Such fee shall not be refunded on termination of membership.

10. Rights and Obligations of Members

- 10.1. The members of the Co-operative undertake to honour and respect the provisions of the Act and any regulations promulgated in terms thereof as well as this Constitution and rules adopted and resolutions taken by the Board and decisions taken at general meetings by the members of the Co-operative.
- 10.2. The members undertake to honour the co-operative principles and to give effect thereto.
- 10.3. The members undertake to honour their financial commitments to the cooperative diligently.
- 10.4. All members undertake to diligently attend orientation and training courses to give effect to the co-operative principles as contained in the Act as well as rights and duties placed on members in terms of the Act, this Constitution and rules which the Board may adopt in terms of Clause 45 hereof.
- 10.5. A member may not:
- 10.5.1. use, take, acquire or benefit from any property or asset owned, controlled or managed by the Co-operative to which the member has no right;
- 10.5.2. be in arrears with any payment to the Co-operative for a period longer that 30 days or such extended period as the co-operative may allow;
- 10.6. A member shall, in the event of any change of address inform the cooperative within 30 days of such change;
- 10.7. A member shall accept that the highest decision-making structure of the co-operative, is a general meeting of members;

10.8. Members shall at all time endeavour to promote the interests of the Cooperative and shall not allow or promote the interests of any person or group or political party or organisation.

11. ISSUE OF SHARES AND MINIMUM SHAREHOLDING

- 11.1. The shares issued by the Co-operative shall all be of the same class, ranking and nominal value.
- 11.2. Each member is required to have 100 (one hundred) shares and when the Co-operative is founded, each member must have a minimum of 20 (twenty) shares.
- 11.3. From the time that the Co-operative is three years in operation, every member shall be bound to hold a minimum number of shares in the co-operative prescribed by a scale which shall be approved by members in general meeting on the recommendation of the Board: Provided that the scale must relate to business done by members with the Co-operative.
- 11.4. Whenever it appears that a member does not hold the number of shares prescribed by the applicable scale, the Board may issue to him without application therefore such number of shares as will make up the insufficiency and 20 % (twenty percent) of the nominal value of such shares shall immediately become payable upon such issue, the balance becoming payable in accordance with the provisions of clauses 14 and 15 of this Constitution: Provided that before such issue of shares is made to any member, he shall be afforded an opportunity, of at least 30 (thirty) days, to acquire the requisite number of additional shares from any other member holding shares in excess of the above scale. The amounts that are already paid up can be utilized to pay up all the shares to the same extent.
- 12. The nominal value of each share shall be R 1-00 (one Rand) of which 20% (twenty percent) from a total of 100 (one hundred) shares shall be payable in money on application and the balance, subject to the provisions of clause 14 in such installments, on such dates and at such times and places as may be determined by the Board.
- 13. No call on shares must exceed 25% (twenty five percent) of the nominal value per share or be payable within 30 (thirty) days after the date on which the last preceding call was payable.
- 14. At least 14 (fourteen) days prior to the date on which a call is payable written notice thereof must be given.

- 15. Calls on shares must be numbered consecutively from one upwards and each call must apply to all unpaid up shares issued or held at the time such call is made as well as to all such shares issued after such call has been made.
- 16. Every new member who is responsible for calls made before he became a member and which are payable in terms of clause 16, shall be allowed to pay such calls over the same period as would have been allowed him had he been a member at the time such call was or such calls were made: Provided that if more than one call was made the periods within which the calls were payable must run consecutively and not concurrently and that the period meant in this clause extends from the time a call was made to the time such call became payable.
- 17. The Board may receive from any member willing to pay the same, all or any part of the nominal value of the share or shares held by him, and such payment shall constitute a reduction, to the extent of the payment so made, of the liability of the member in respect of the payment of the nominal value of the share or shares subscribed for by him, notwithstanding that no call be due and payable.
- 18. In the event of a member being in default in the payment of a call referred to in clause 13 on the specified date, interest on such overdue amount shall be payable at a rate to be determined by the Board from time to time as from the date of default.

19. CERTIFICATES OF SHARES AND LOANS

Share certificates and Loan Certificates shall be issued in such form, as the Board shall determine. These certificates shall state the name of the Cooperative, that the Co-operative is subject to the Act, the name of the person to whom it is issued and that the certificate represents membership shares in, or member loans to, the Co-operative and the number of the membership shares or the amount of the member loans.

20. LIABILITY OF MEMBERS

The liability of a member is limited to an amount equal to the nominal value of the shares in the Co-operative held by him in so far as that amount has not been paid up.

21. TRANSFER OF MEMBERSHIP, MEMBERS LOANS AND SHARES

21.1. Membership, Member Loans and Shares may be transferred only with the approval and on the authority of the Board who shall satisfy itself that

the proposed transferee is qualified to be a member of the Co-Operative.

- 21.2. The Board may at any time refuse to approve and register a proposed transfer.
- 21.3. The transfer of any membership shall be in writing in such form and signed in such manner as the Board from time to time may stipulate.
- 21.4. When such transfer has taken place the Board shall issue to the transferee a membership card, and/or a Member Loan Certificate and/or a Share Certificate.

CONDITIONS AND PROCESSES FOR TERMINATION OF MEMBERSHIP

22. Termination on death

- 22.1. The membership of a member who has died may in terms of this clause be transferred to a member of that deceased member's family or another person appointed by the executor of the deceased member's estate subject to the approval by the Board of the proposed transferee. In the event of such transfer not taking place, the membership of the deceased member shall be terminated by resolution of the Board.
- 22.2. Upon such termination, the membership fees concerned are forfeited and the amount paid in respect thereof is credited to the general reserve of the Co-operative.
- 22.3 The shares registered in the name of a member who has died, must be cancelled by resolution of the Board at the request the executor or liquidator of the estate.
- 22.4 Upon such cancellation the Co-operative must, pay to the executor the amount paid up on the shares for payment to the estate of the deceased member: Provided that if the value of such shares, according to the latest completed balance sheet of the Co-operative, is less than their nominal value, the Co-operative shall pay:
- 22.4.1. If the shares are fully paid up, an amount equal to the value so determined; or
- 22.4.2. If the shares are not fully paid up, an amount that stands in the same proportion to the amount paid up on the shares as that which the value so determined of the shares stands to their nominal value.

23. TERMINATION ON CHANGE OF PLACE OF RESIDENCE

- 23.1. The membership of a member who no longer resides in the area served by the Co-operative may, on application of the member or by decision of the Board, be terminated by resolution of the Board.
- 23.2. Upon such termination, the membership fees of the member concerned are forfeited to the Co-operative and the amount thereof is credited to the general reserve of the Co-operative.
- 23.3. The shares registered in the name of such member may be cancelled by resolution of the Board.
- 23.4. Upon such cancellation the Co-operative must refund to the exmember, the amount paid up on the shares: Provided that if the value of such shares, according to the latest completed balance sheet of the Cooperative is less than their nominal value, the Co-operative shall pay the ex-member:
- 23.4.1. If the shares are fully paid up, an amount equal to the value so determined; or
- 23.4.2. If the shares are not fully paid up, an amount that stands in the same proportion to the amount paid up on the shares as that which the value so determined of the shares stands to their nominal value.

24. TERMINATION WHEN A MEMBER IS NON-ACTIVE

- 24.1. Whenever a member does not actively participate in the activities of the Co-operative for a period of one year or has neglected to notify the Co-Operative of any change in his address, whereby the Co-operative is prevented from contacting him, his membership may, be terminated by resolution of the Board.
- 24.2. Upon such termination, the membership fees of the member concerned are forfeited to the Co-operative and the amount thereof is credited to the general reserve of the Co-operative.
- 24.3. The shares of such member may be cancelled by resolution of the Board.
- 24.4. Upon such cancellation, the amount paid up on such shares must be transferred to a special account called "Unclaimed Share Moneys". If no

claim against this account is received and paid by the Co-operative within 3 (three) years of such transfer, the amount concerned is forfeited to the Co-operative and transferred to the general reserve of the Co-operative: Provided that if the value of the shares, according to the latest completed balance sheet of the Co-operative, is less than their nominal value, the amount to be transferred, shall:

- 24.4.1. If the shares are fully paid up, be an amount equal to the value so determined; or
- 24.4.2. If the shares are not fully paid up, be an amount that stands in the same proportion to the amount paid up on the shares, as that which the value so determined of the shares stands to their nominal value.

25. WITHDRAWAL OF MEMBERSHIP

- 25.1. The resignation of a member comes into operation at the first meeting of the Board held after the Co-operative has received the written resignation of the member.
- 25.2. The membership of a member who has resigned shall be terminated by resolution of the Board. The amount paid in respect of membership fees shall be forfeited to the Co-operative and credited to the General Reserve.
- 25.3. The shares of a member who has resigned, shall be cancelled by resolution of the Board. The amount paid up on such cancelled shares shall, at the discretion of the Board and provided funds are available, be repaid to the member within a period of two years from the date of cancellation: Provided that if the value of the shares, according to the latest completed balance sheet of the Co-operative, is less than their nominal value, the amount payable shall:
- 25.3.1. if the shares are fully paid up, be an amount equal to the value so determined; or
- 25.3.2. if the shares are not fully paid up, be an amount which stands in the same proportion to the amount paid up on the shares as that which the value so determined of the shares stands to their nominal value.
- 26. Any amount payable by the Co-operative in terms of Clauses 22, 23, 24 and 25, shall be set off against any debt for the payment of which the member or his estate is liable.

27. CONDITIONS AND PROCESS FOR SUSPENSION AND EXPULSION

- 27.1. A member who repeatedly contravenes a provision of this Constitution or who refuses to comply with such provision or to meet an obligation imposed on him by the Act or in terms of this Constitution or which he agreed to meet, may:
- 27.1.1. by resolution of the Board, be suspended as a member for a period to be determined by the Board but which shall not be longer than the date of the next annual general meeting;
- 27.1.2. by special resolution be suspended as a member for a period not longer than 12 (twelve) months from the date on which he is suspended;
- 27.1.3. by special resolution be expelled from the Co-operative.
- 27.2. The suspension of a member may be revoked by resolution of the Board at any time.
- 28.1. Before a member can be suspended or expelled in terms of clause 27, he has to be given 7 (seven) days prior written notice of the intention of the Board.
- 28.2. The notice to such member must contain the following particulars:
- 28.2.1. the reasons for the proposed suspension or expulsion; and
- 28.2.2. a time when, and place where the member may appear in person, with or without witnesses, before the Board or to which he may send a written statement signed by himself setting out his objections to the proposed suspension or expulsion.
- 28.3. The Board must notify him in writing if it is decided to suspend or expel a member, of:
- 28.3.1. the date on which his suspension or expulsion comes into effect;
- 28.3.2. period of time during which the suspension will apply; and
- 28.3.3. disciplinary measures which will be taken.

29. DISCIPLINARY MEASURES

- 29.1. While under suspension a member forfeits his right to attend general meetings or to vote thereat by proxy.
- 29.2. The members by special resolution or the Board may furthermore stipulate that certain or all transactions with a member must be suspended for the period of his suspension.
- 29.3. The membership of an expelled member must be terminated by resolution of the Board and upon such termination the member forfeits his membership fees and the amount paid in respect thereof must be credited to the general reserve.
- 29.4. The shares of an expelled member must be cancelled, subject to the provisions of Clause 30.1, by resolution of the Board and upon such cancellation the member shall forfeit his shares.

30. LIABILITY IN RESPECT OF FORFEITED SHARES

- 30.1. A person whose shares have been forfeited, is responsible for immediate payment to the Co-operative of the entire amount unpaid on such shares.
- 30.2. All moneys paid to the Co-Operative in respect of forfeited shares must be added to the General Reserve.
- 30.3. Notice must be given to the member in whose name the shares were registered prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of members.
- 30.4. Interest on share capital or bonus or any other amount accruing to a member and which is payable by the Co-operative to the member, must be applied to pay calls on shares and/or amounts unpaid on forfeited shares, due but unpaid at the time such interest, bonus or other amount becomes payable to the member concerned.

MANAGEMENT OF CO-OPERATIVE

31 BOARD OF DIRECTORS

31.1. The affairs of the Co-operative must be managed by a Board of directors consisting of a minimum of 5 (five) and a maximum of 7 (seven) directors and must exercise the powers and perform the duties of the Cooperative.

- 31.2. The number of directors shall subject to the approval of members at the next general meeting, be determined by the Board from time to time. If, however, the members do not approve the decision of the Board and a vacancy arises as a result thereof, such vacancy shall be regarded as a casual vacancy to be filled in terms of Clause 39.
- 31.3. Only members of the Co-operative who are South African citizens may be appointed as directors of the Co-operative.
- 31.4. The Board of directors shall adopt standing orders relating to procedures during Board meetings in terms of Clause 45 hereof which shall allow for:
- 31.4.1. the format of agendas of Board meetings;
- 31.4.2. the minuting of proceedings;
- 31.4.3. the submission of urgent matters by a director at a meeting provided that any matter concerning the finances of the Cooperative, shall only be disposed of at the next ordinary meeting of the Board or at a special Board meeting convened for that purpose;
- 31.4.4 at least ten meetings being held annually; and
- 31.4.5. any such related matter that will enhance the effective operation of the Board of directors.
- 32. Without prejudice to the provisions of Clause 38 of this Constitution, directors shall be elected at the annual general meeting.

33. DUTIES AND OBLIGATIONS OF DIRECTORS

- 33.1. All directors shall ensure that the provisions of the Act and any regulations promulgated in terms thereof as well as this Constitution and rules adopted and resolutions taken by the Board and decisions taken at general meetings by the members of the Co-Operative are honoured, respected and diligently executed at all times.
- 33.2. Unless a director has requested that his opposition to a specific resolution be minuted against a resolution of the Board, all directors shall be collectively held accountable for resolutions which will result in mismanagement, the mis-appropriation of funds or fruitless expenditure.
- 33.3. All directors shall:
- 33.3.1. Perform their functions in good faith, honestly and a transparent manner;
- 33.3.2. At all times act in the best interest of the Co-operative and in such a way that the credibility and integrity of the co-operative are not compromised;

- 33.3.3. Accept that the board of directors as a collective, must exercise the powers and perform the duties of the Co-operative subject to the Act and the constitution of the Co-operative.
- 33.3.4. Diligently attend all meetings of the Board of directors and of a committee of which that director is a member, except when:
- 33.3.4.1. Prior leave of absence is granted to the director in terms of the Standing Orders of the Co-operative; or
- 33.3.4.2. That director is required in terms of the Co-operatives Act, 2005, or the Constitution of the Co-operative to withdraw from the meeting;
- 33.3.5. Ensure that the Co-operative at all times performs its functions within the ambit of the Co-operatives Act, any other legislation, the Constitution of the Co-operative.
- 33.3.6. Accept the sanctions for not attending meetings;
- 33.3.7. Disclose interests as required in terms of the Co-operatives Act and the Constitution of the Co-operative;
- 33.3.8. Not use the position or privileges of a director, or confidential information obtained as a director, for private gain or to improperly benefit another person;
- 33.3.9. Declare financial interests held within 30 days from appointment as director in writing to the Board of directors as required in terms of the Act;
- 33.3.10. Not receive any rewards, gifts and favours as detailed in the Cooperatives Act and regulations promulgated in terms of the Act;
- 33.3.11. Not disclose any information that is protected by a non-disclosure agreement or any other confidential information of the Co-operative or committee to an unauthorised person and shall sign for this purpose, a non-disclosure agreement where required;
- 33.3.12. Not intervene in the administration of the Co-operative other than by a written mandate received from the Board of directors;
- 33.3.13. Not use, take, acquire or benefit from any property or asset owned, controlled or managed by the Co-operative to which the director has no right;
- 33.3.14. Not be in arrears with any payment to the Co-operative for a period longer that 30 days;
- 33.3.15. In the event of any change of address inform the Co-operative within 30 days of such change;
- 33.3.16. Accept that the highest decision-making structure of the Cooperative is a general meeting of members;
- 33.3.17. Accept that the Board of directors is accountable to a general meeting of members;
- 33.3.18. Ensure, at the request of the auditor, that any information, explanations, and access to any documents of the Co-operative or any of its subsidiaries that are, in the opinion of the auditor, necessary for the purposes of the audit, are provided without delay;

- 33.3.19. Ensure that in the event of any error or misstatement in a financial statement being discovered, the auditor or former auditor that reported thereon, be notified without delay; and
- 33.3.20. At all times endeavour to promote the interests of the community as a collective and shall not allow that the office of director be used to advance the interests of any person or group or political party or organisation.
- 33.4. Unless specifically mandated to do so by a resolution of the Board, no director shall have the right to act in his personal capacity on behalf of the Co-operative or to give instructions to any officer in the service of the Co-operative.
- 33.5. All directors shall diligently attend orientation and training courses to give effect to the co-operative principles as contained in the Act as well as duties placed on directors in terms of the Act, this Constitution and rules which the Board may adopt in terms of Clause 45.
- 33.6. All directors shall ensure that the future business of the co-operative is conducted in terms of the resolution of the Annual General Meeting in accordance with Clause 47.2.5 hereof. In the event of a under- or overspending of more than 17% (seventeen percent) on any vote of the budget, the board of directors shall call a special general meeting in terms of Clause 48 hereof and submit proposals to the general meeting for approval to remedy the under- or overspending within 14 (fourteen) days after such spending was discovered . In the event of the alienation or acquisition of assets not provided for in terms of a resolution of the Annual General Meeting in accordance with Clause 47.2.5 hereof, the board of directors shall call a special general meeting in terms of directors shall call a special general meeting in terms of the obtain the prior approval of the members.

34. PERSONS NOT COMPETENT TO BE DIRECTOR

No person shall hold the office of director if:

- 34.1. A person is of unsound mind;
- 34.2. A person is an unrehabilitated insolvent;
- 34.3. A person who has at any time been convicted (whether in the Republic or elsewhere) of theft, fraud, forgery, perjury, or any offence involving dishonesty in connection with the formation or management of a Co-operative or other corporate entity;

35. TERM OF OFFICE

- 35.1. The term of office of directors shall be three years except in the case of the first directors of the Co-operative whereby at least four directors shall retire after three years and the remaining three directors shall serve an additional year. The first retirees shall be determined by the directors among themselves or otherwise be determined by ballot.
- 35.2. Retiring directors are eligible for re-election.
- 35.3 The directors to retire each year shall be those who have been longest in office since their last election at the annual general meeting, but as between members who became directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by ballot.

Nomination of Directors and voting for Directors

- 36.1. Candidates for the position of director shall be nominated in writing and the prescribed nomination form shall be signed by the proposer, seconder and the nominated person who shall confirm qualification in terms of Clause 34 at the annual general meeting held for the purpose electing one or more directors.
- 36.2. Without prejudice to the provisions of Clause 39 a member, including a retiring director, qualifies for election as director only if he is nominated in terms of sub-clause 36.1.
- 36.3.1. If the number of candidates nominated does not exceed the number of vacancies on the Board to be filled such candidate or candidates shall be declared elected at the annual general meeting.
- 36.3.2. If the number of candidates nominated exceeds the number of vacancies on the Board, as many directors as there are vacancies shall be elected from the nominees by a show of hands or by ballot at the annual general meeting.
- 36.3.2. If insufficient or no candidates are nominated to fill the vacancies on the Board, such vacancies shall be regarded as casual vacancies to be filled in accordance with clause 38.
- 37. The method to be followed in nominating and electing directors shall be determined by rules adopted by the Board in terms of Clause 45.
- 38. At the election of directors a member shall vote for as many candidates as there are vacancies to be filled on the Board and those candidates receiving the highest number of votes shall be declared elected.

39. FILLING OF A VACANCY ON THE BOARD

Any vacancy occurring on the Board during the year shall be filled until the next annual general meeting by a member appointed, by the remaining directors, subject to the provisions of Clause 35. At the said annual general meeting a member shall, subject to the provisions of this Constitution, be elected to fill the vacancy. Any director elected at such annual general meeting shall not hold office for a period longer than the unexpired portion of the period of office of the director whose office became vacant.

40. CONDITIONS FOR VACATION OF OFFICE

A Director shall vacate his office:

- 40.1. If he becomes incompetent in terms of clauses 34 and 35 of this Constitution to hold the office of director; or
- 40.2. If he absents himself from more than three consecutive ordinary meetings of the Board without its leave; or
- 40.3. Upon the expiry of 30 (thirty) days, or such shorter period as may be approved by the Board, after he has resigned as a director of the Co-operative.
- 40.4. If a motion of no confidence was adopted by a 75% (seventy five percent) majority of members of the Co-operative at a special general meeting convened in terms of Clause 49.2.3 hereof. The notice proposing the motion of no-confidence must be signed by at least 20% (twenty percent) of members and must form part of the notice convening the meeting. In the event of a director being removed as a result of a motion of no confidence, such person may be not be appointed in terms of Clause 39 hereof for the unexpired term of his office and may thereafter be nominated in terms of Clause 36 hereof.

Conditions and Processes for the appointment of the Chairperson, Vice-Chairperson and Acting Chairperson of the Board

- 41.1. At the first meeting of the Board held after the formation meeting and thereafter at the first meeting of the Board held after every annual general meeting of members or when the necessity arises, the Directors shall elect from among themselves a Chairperson and Vice-Chairperson.
- 41.2. The Vice-Chairperson shall act as Chairperson whenever last-named is absent or unable to act as Chairperson, and if both the Chairperson and Vice-Chairperson are absent or unable to carry out the functions of the

Chairperson, the Board must elect another Director to be acting-Chairperson during such absence or incapacity.

- 42. The Chairperson of the Board of the Co-Operative shall vacate the office of Chairperson if he:
- 42.1. Ceases to be a director of the Co-Operative; or
- 42.2. Resigns as Chairperson; or
- 42.3. Is relieved of the office of Chairperson by the Board after a special Board meeting has been convened with 72 (seventy-two) hours notice and the notice was signed by at least two directors in which a motion of no confidence has been proposed and the motion is carried by a 2/3 (two thirds) majority of all the directors.
- 43. The provisions of clause 42 shall be applicable mutatis mutandis to the vice-Chairperson of the Board.

44. BOARD MEETINGS AND QUORUM

- 44.1. A meeting of the Board must be convened by the Board or the Chairperson of the Board or any two Directors of the Co-operative.
- 44.2. The majority of directors shall constitute a quorum of a meeting of the Board.
- 44.3. Questions arising at a meeting of the Board shall be determined by a majority of the directors present at the meeting and in the case of an equality of votes, the Chairperson of the Board or the person acting as Chairperson shall have a casting vote in addition to his deliberative vote.

45. RULES

The Board has the power to make rules provided they are not repugnant to this Constitution which will include and not be limited to the following matters:

- 45.1. membership conditions of associate members in terms of Clause 7.3;
- 45.2. conditions of employment for employees of the Co-Operative;
- 45.3. relieve of the chairperson in terms of Clause 42.3;
- 45.4. election and nomination of directors in terms of Clause 37;

- 45.5. powers of and restrictions applicable to directors and officers in the employ of the Co-operative;
- 45.6. rights and duties of members;
- 45.7. financial management and the keeping of financial records;
- 45.8. procurement;
- 45.9. rules of order at Board and general meetings;
- 45.10. permitted loans and security to members in terms of Clause 61;
- 45.11. unsecured loans to members in terms of Clause 62;
- 45.12. attendance of Board meetings by members;
- 45.13. delegation of powers; and
- 45.14. the appointment of committees to assist the Board in performing its functions, duties and powers

46. DELEGATION OF POWERS

- 46.1. The Board may delegate one or more of its powers to a director or to a Committee appointed by the Board or Manager of the Co-operative.
- 46.2. Any director or committee or Manager so appointed must in the exercise of the powers so delegated, abide by such rules as may be made and follow such instructions as may be issued in regard thereto by the Board.

47. GENERAL MEETINGS

- 47.1. A Co-operative must hold:
- 47.1.1. Its first annual general meeting within 18 months of registration of the Co-operative;
- 47.1.2. Subsequently annual general meetings within 6 months after the end of the preceding financial year.
- 47.2. The annual general meeting must:
- 47.2.1. Appoint an auditor;

- 47.2.2. Approve a report of the Board on the affairs of the Co-Operative for the previous financial year;
- 47.2.3. Approve the financial statements and auditor's report where applicable for the previous financial year;
- 47.2.4. Elect directors;
- 47.2.5. Decide on the future business of the Co-operative subject to the provisions of Clause 73. The future business of the Cooperative shall include a budget indicating operational and capital expenditure as well as the cost of human resources of the financial year of the Co-operative; and
- 47.2.6. Allow members to submit requests for matters to be considered by the Board with a majority support of votes from members in which a time frame is specified for a report back by the Board at a meeting to be convened in terms of Clause 48 hereof.

48. SPECIAL GENERAL MEETINGS

The Co-operative may from time to time in addition to its annual general meeting hold special general meetings of its members to dispose of any matter relating to its affairs specifically set out in the notice convening the meeting.

49. CONVENING OF MEETINGS

- 49.1. An annual general meeting shall be convened on authority of the Board.
- 49.2. A special general meeting shall be convened:
- 49.2.1. by at least two directors of the Co-operative; or
- 49.2.2. by five or more members of the Co-operative constituting in number at least 20% (twenty percent) of all the members of the Co-operative: Provided that such members shall not be entitled to convene an special general meeting unless they have beforehand in writing petitioned the directors to convene such a meeting and the meeting is not convened within 21 (twenty one) days reckoned from the date the petition was lodged, or unless for any reason there are no directors to whom such a petition can be addressed; or
- 49.2.3. by the chairperson when a motion of no confidence was submitted in terms of Clause 40.4 and if the chairperson is the subject of the motion, by the deputy chairperson and if any of these two positions are the subject of the motion, by any director available.

49.3. Any meeting convened in terms of sub-clause 49.2.2 by the petitionists shall, as far as possible, be convened and held in the same manner as is prescribed for meetings convened and held by the Board and any reasonable expense incurred by the petitionists in securing the names and addresses of members, in sending notices of the meeting to them and hiring accommodation for the holding of the meeting if so resolved by such meeting, be refunded to the petitionists by the Co-operative.

50. NOTICE OF GENERAL MEETING

- 50.1. A general meeting shall be convened by at least 14 (fourteen) days notice in writing to each member of the Co-operative.
- 50.2. The notice convening the meeting shall in addition to the time and place of the meeting state the purpose for which it is convened.
- 50.3. A notice may be delivered personally, forwarded by post to the member at his registered address, emailed to registered email address of the member or faxed the registered fax number of the member.
- 50.4. Non-receipt by a member of a notice of a general meeting of the Cooperative does not render such meeting invalid.
- 50.5. If a notice of a meeting is returned to the Co-operative because the member to whom it was sent is no longer resident at the registered address, the email address or fax number does not exist or does not function, the Co-operative shall be relieved of its obligation to send further notices of meetings to the member concerned unless the member makes an appearance and requests that such notices be sent to his new address.

51. QUORUM

- 51. A quorum for a general meeting shall be constituted by at least 50% (fifty percent) plus 1 (one) of members.
- 52. No item of business shall be transacted at any general meeting unless a quorum of members is present during the time when the meeting is considering that item.
- 53.1. If within one hour from the time appointed for the meeting a quorum is not present, the meeting:
- 53.1.1. if convened by members or in consequence of a petition of members, must be cancelled;

- 53.1.2. if otherwise convened, must be adjourned to the same day in the next week at the same time and place, or if that day is a public holiday, to the next day following which is not a public holiday.
- 53.2. If the same hall or building is not available for an adjourned meeting it may be held at another venue within convenient distance if members are advised of the change of venue either by notice posted at the original venue or by some other means.
- 53.3. If a quorum is not present within one hour after the time fixed for an adjourned meeting, the members present, provided they are not less than five in number, shall be deemed to constitute a quorum: Provided that a special resolution may not be passed by such a meeting.

54. CHAIRPERSON OF GENERAL MEETINGS

- 54.1. The Chairperson of the Board or in his absence the Vice-Chairperson or in the absence of both, another director elected by the meeting shall act as Chairperson of an annual general meeting or a special general meeting convened in terms of Clauses 49.1 and 49.2.1.
- 54.2. A person elected by the meeting shall act as the Chairperson of a special general meeting convened in terms of clause 49.2.2 of this Constitution.

Voting by members

- 55.1. At all meetings of the Co-operative, each member shall have 1 (one) vote.
- 55.2. At all meetings, associate members shall have the right to participate in deliberations and shall have no vote and may not participate in any nomination process.
- 56.1. Any matter for decision by a general meeting shall be decided by means of a vote on a show of hands or by ballot.
- 56.2. A vote by ballot shall not be held unless it is demanded by at least 5 (five) members present at the meeting and entitled to vote in a vote by ballot.
- 56.3. A vote by ballot must be held in such manner as the Chairperson stipulates. Scrutineers must be nominated to determine the result of the vote that must be declared by the Chairperson of the meeting as the resolution of the meeting.

- 56.4. A declaration by the Chairperson that a resolution has, on a show of hands or by ballot, been carried, or carried unanimously or by a particular majority, or lost, and an entry to that effect in the minutes of the proceedings of the meeting, shall be conclusive, proof thereof, without evidence as to the number or proportion of votes recorded for or against such resolution.
- 57. If no objection is raised in terms of the provisions of this Constitution against the validity of any vote cast at the meeting, whether on a show of hands or by ballot, every vote cast at the meeting that has not been disallowed shall for all purposes be deemed to be valid.
- 58. In the case of an equality of votes, whether on a show of hands or in a vote by ballot, the Chairperson of the meeting shall have a casting vote in addition to his deliberative vote.
- 59. Every matter submitted to a general meeting for resolution, except for a matter requiring a special resolution, shall be determined by a majority of votes recorded at the meeting.

60. SPECIAL RESOLUTION

A resolution by a general meeting of the Co-operative shall, constitute a special resolution if:

- 60.1. the notice by which the general meeting was convened specified particulars of the proposed resolution and stated the intention to propose same as a special resolution; and
- 60.2. the resolution has been passed by not less than two thirds of the members present, both in a vote on the show of hands and a vote by ballot.
- 60.3. the resolution related to the winding-up of the Co-operative and was passed by at least 75 (seventy five) percent of the votes of all the members of the Co-operative, both in a vote on the show of hands and a vote by ballot.

61. PROHIBITED AND PERMITTED LOANS AND SECURITY

- 61.1. The Co-operative may give financial assistance by means of a loan or the provision of security in terms of rules adopted in terms of Clause 45 to:
- 61.1.1. any person in the ordinary course of business if the lending of money is part of the ordinary business of the Co-operative;

- 61.1.2. any person on account of expenditures incurred or to be incurred on behalf of the Co-operative;
- 61.1.3. employees of the Co-operative or of any of its members:
- 61.1.3.1. to enable or assist them to purchase or erect living accommodation for their own occupation; or
- 61.1.3.2. in accordance with a plan for shares of the Co-operative or any of its members to be held by a trustee; and
- 61.1.4. members, if the financial assistance is available to all members on substantially the same terms.
- 61.2. The Co-operative may not give financial assistance in terms of Clause 61.1 whether directly or indirectly if there are reasonable grounds to believe that:
- 61.2.1. the Co-operative, after giving the financial assistance, will be unable to pay its liabilities as they become due; or
- 61.2.2. the realisable value of the assets of the Co-operative, after giving the financial assistance, will be less that the aggregate of its liabilities, share capital and reserves.
- 61.3. In determining the realisable value of the assets of the Co-operative contemplated in Clause 61.2.2, the amount of any financial assistance in the form of a loan and in the form of assets pledged or encumbered to secure a guarantee must be excluded.

62. RESTRICTIONS RELATING TO UNSECURED MEMBERS LOANS

The Board may, if so authorized by members in terms of Clause 61 of this Constitution, in addition to the loans secured by some or all of the assets of the Co-operative, the issue of secured debentures and loans obtained from the commercial banks or any other financial institution, further raise loans from members subject to the following conditions:

- 62.1. No loan from any individual member shall amount to less than R1 000 (one thousand Rand) and, for the purpose of this paragraph, every successive loan from any particular member shall be regarded as a separate loan;
- 62.2. No loan shall be repaid within 12 (twelve) months after receipt;

- 62.3. Interest shall be paid on loans at a rate per annum to be determined by the Board from time to time;
- 62.4. An acknowledgement of debt shall be issued in respect of each loan;
- 62.5. The acknowledgement of debt shall be freely transferable by means of a cession duly registered by the Co-operative; and
- 62.6. Receipt of each loan shall be acknowledged by the following acknowledgment of debt attached hereto as Appendix 1, which shall incorporate either of the conditions [ii] or [iii] mentioned in the appendix.

63. BANKING ACCOUNT

- 63.1. The Co-operative must open a banking account in the name of the Cooperative in which all moneys received shall be deposited as soon as possible after receipt thereof.
- 63.2. Cheques drawn on the banking account shall be signed by one of the Directors and must be countersigned by the Secretary of the Board: Provided that a cheque shall not be signed and countersigned by the same person and that all officers who are authorized to sign or countersign cheques must furnish adequate security.

64. FINANCIAL YEAR

The financial year of the Co-operative shall end on the last day of February of each year.

65. FINANCIAL RECORDS

- 65.1. The Co-operative must keep such accounting records as are necessary fairly to reflect the state of affairs and business of the Co-operative and to explain the transactions and financial position of the business of the Co-operative.
- 65.2. The accounting records shall be kept at the registered office of the Cooperative and shall be available at all times for examination by the directors.

66. Annual financial statements

66.1. An audit of the affairs of the Co-operative must be conducted annually in respect of each financial year in order to:

- 66.1.1. ensure that financial statements are drawn up in conformity with generally accepted accounting practices;
- 66.1.2. verify that the Co-operative has maintained adequate records in accordance with the requirements of this Constitution and the Act;
- 66.1.3. report generally as to whether the assets and facilities of the cooperative are being properly managed and the operations of the cooperative are being conducted in accordance with co-operative principles; and
- 66.1.4. report on any other matter the auditors are required to report on in terms the Constitution.
- 66.2. The provisions of Clause 65.1 are applicable to the annual financial statements of the Co-Operative and its company subsidiaries.

67. AUDIT

The members must appoint an auditor at each annual general meeting, to hold office until the close of the next annual general meeting. The duties of the auditor are outlined in Clause 66.

68. SURPLUS

The surplus resulting from the operations of the Co-operative during any financial year shall be applied by resolution of the annual general meeting for that year: Provided that:

- 68.1. at least 5% (five percent) is set aside as a reserve in the Undivisible Reserve Fund and is not divisible amongst the members;
- 68.2. the amount which is set aside as a General Reserve Fund shall not be less than the amount determined by the Board.
- 68.3. the amount which is available out of the surplus for distribution to members shall be applied in one or more of the following ways only, viz.:
- 68.3.1. to pay interest at a rate not exceeding 15% (fifteen percent) to members on the amounts paid up by them on their shares as at the last day of the financial year; or
- 68.3.2. to pay bonuses to members in accordance with the provisions of clause 69.

69. PAYMENT OF BONUS

- 69.1. The amount mentioned in clause 68.3.2 must, be allocated to members according to the patronage proportion and the amount allocated to a member must by resolution of members at the annual general meeting, be applied in one or more of the following ways:
- 69.1.1. by paying it out either wholly or partly in cash;
- 69.1.2. by utilizing it for buying of fully paid-up members shares:
- 69.1.2.1. provided that an amount accruing to a member which is insufficient to fully pay up a share may be applied, by resolution of the Board, in accordance with the provisions of sub clauses 69.1.1 or 69.1.3 of this Clause;
- 69.1.2.2. provided that notice will be given to each member of the number of shares purchased for the member;
- 69.1.2.3. provided that such shares will be either issued or transferred in terms of Clauses 12 and 22, by resolution of the Board; and
- 69.1.2.4. provided that share certificates will be issued and forwarded to members.
- 69.1.3. by setting it aside in the Deferred Bonus Payment Fund for future payment to members.
- 69.2. Interest on share capital or bonus declared payable to members, except amounts transferred to the Deferred Bonus Payment Fund, does not earn interest from the Co-operative.
- 69.3. Any interest on share capital or any bonus remaining unclaimed for a period of 3 (three) years from the date on which such interest or bonus was declared payable may, by resolution of the Board, be declared forfeit and added to the General Reserve of the Co-operative.

70. DEFERRED BONUS PAYMENT FUND

- 70.1. All amounts transferred to the "Deferred Bonus Payment Fund" in terms of Clause 69.1.3 shall be credited in the respective names of the members in the books of the Co-operative.
- 70.2. The Deferred Bonus Payment Fund may be invested separately or may be used by the Co-operative to carry out any of its objects: Provided

that the fund must not be utilised to defray any loss resulting from the operations of the Co-operative.

- 70.3. The interests of members and former members in the Deferred Bonus Payment Fund must be repaid to them in the following circumstances and subject to the conditions mentioned below:
- 70.3.1. When the fund has been functioning for five years, the interests built up by members and former members during the first years of the fund shall be repaid to those concerned and the following year the interests built up during the second year of the fund shall be refunded; or
- 70.3.2. on the death of a member or former member the interest of the deceased in the fund shall be paid to his estate;
- 70.3.3. when membership in the Co-operative is terminated in any other way, the interest of the member concerned in the fund shall be repaid to him as it becomes repayable in terms of Clauses 70.3.1 or 70.3.2 of this sub-clause: Provided that the Board may authorise payment at an earlier date if the Co-operative is in a position financially to do so: Provided further that the interest of a former member in this fund shall not be retained in the fund for more than three years after termination of membership of the former member.
- 70.4. The amounts payable to a member or former member in terms of this clause shall be applied in payment or part payment of any amount due to the Co-operative by such member or former member.
- 70.5. A member's or former member's credit in the fund may be transferred to someone else only with the approval of the Board: Provided that no such transfer shall be approved unless the transferee is a member of the Co-operative.
- 70.6. Any amount to the credit of a member or former member in the Deferred Bonus Payment Fund remaining unclaimed for a period of 3 (three) years from the date it becomes payable to him may by resolution of the Board be declared forfeit and transferred to the general reserve of the Cooperative: Provided that such a transfer shall not be made unless the member or former member concerned has first been warned of the proposed transfer by means of a notice sent to his last address, as entered in the register of members and he has been given an opportunity of at least six months to claim the amount.

71. AMENDMENT OF CONSTITUTION

The Constitution of the Co-operative may be amended by special resolution only.

72. LIQUIDATION

In case of liquidation the patronage proportion must be determined for either five years, which preceded the commencement of the winding-up of the Co-operative, or the period for which the Co-operative has existed, whichever period is the shorter.

73. PRE-INCORPORATION AGREEMENT

Once ratified in accordance with Section 9 of the Act, the pre-incorporation agreement entered into and between the two designated founder members and Phambili Energy (Pty) Ltd, shall form part of this CONSTITUTION for the duration of the agreement.

APPENDIX 1: ACKNOWLEDGEMENT OF DEBT: CLAUSE 62

"We, the undersigned, director and secretary of the

.....

.....

(address) hereinafter called. the owner, subject to the conditions:

[I] Interest at the rate of% (...... percent) per annum or such rate as the Board may determine from time to time, shall be payable to the owner on or at the date of repayment.

[ii] The owner shall not have the right to demand repayment, but the Cooperative, after having had the loan for not less than 12 (twelve) months, may repay such loan at any time after having given not less than 30 (thirty) days notice of its intention to repay such loan.

OR

[iii] The loan shall be repayable on the day of 20...... (which may not be less than 12 (twelve) months from the date of this acknowledgement

DIRECTOR/SECRETARY"

Thus approved and signed by the following founding members of the Cooperative on thisday of the month of.....in the year 2009.

1	NAME	
-	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	
2	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	

3	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	

4	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	
5	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	
6	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	
7	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	
8	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	

9	NAME	
	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	

10	NAME	
	ID	
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11	NAME	
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	ID	
	ADDRESS	
	TEL/CELL	
	WITNESS	
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	ADDRESS	
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14	NAME ID	
	ADDRESS	
	TEL/CELL	
	IEL/GELL	
	WITNESS	
	WITINE 35	

12.6. ANNEXURE 6: GENERIC PRE-INCORPORATION AGREEMENT

PRE-INCORPORATION AGREEMENT BETWEEN

PHAMBILI ENERGY (PTY) LTD

AND DESIGNATED FOUNDER MEMBERS

OF THE TO-BE INCORPORATED BBR CO-OPERATIVE LIMITED

4 PARTIES

- 4.1 PHAMBILI ENERGY (PTY) LTD
- 4.2 FOUNDER MEMBERS OF BBR CO-OPERATIVE TO BE INCORPORATED

5 DEFINITIONS AND INTERPRETATIONS

5.1 The head notes to the clauses of this Agreement are inserted for reference purposes only and shall in no way govern or affect the interpretation thereof.

5.2 Unless inconsistent with the context, an expression which denotes:

- 2.2.1 Any gender includes the other genders;
- 2.2.2 A natural person includes an artificial person and vice versa;
- 2.2.3 The singular includes the plural and vice versa.

5.3 Unless inconsistent with the context:

5.3.1 AGREEMENT

means this Agreement including all Annexures thereto;

5.3.2 PE

means PHAMBILI ENERGY (PTY) LTD, Registration No 2008/009842/07, herein represented by MUSA SCHUSTER MSIMANGO

as Co- Chief Executive and he being duly authorised hereto from 96 Lindfield Road, Lynnwood Manor, City of Tshwane

5.3.3 FOUNDER MEMBERS

means the two founder members designated by the founder members and duly authorised to sign this agreement on behalf of the co-operative to-be established and incorporated in terms of the ACT being:

- 2.3.3.1; and
- 2.3.3.2

5.3.4 ACT

means the Co-Operatives Act 14 of 2005 which came into operation on 2 May 2007;

5.3.5 CO-OPERATIVE

means the to-be established and incorporated co-operative in terms of the ACT in respect of the BBR community of the MUNICIPALITY situated in the Mpumalanga Province with the implementation of the BUSINESS PLAN;

5.3.6 MUNICIPALITY

means the Bushbuckridge Local Municipality, a municipality established in terms of section 155 of the Constitution of South Africa, Act 108 of 1996, with municipal code MP 325.

5.3.7 BBR COMMUNITY

means the **BBR** Community located within the MUNICIPALITY;

5.3.8 BUSINESS PLAN

means the Service Level Agreement entered into and between PE and the MUNICIPALITY for the establishment of a biomass conversion site and the supply, delivery, installation and maintenance of Fenix Thermal Energy Units to households identified in by PE in consultation with the MUNICIPALITY

5.3.9 MANDATE

Means the mandate to Phambili to implement the PILOT PROJECT in terms of the Service Level Agreement entered into and between the MUNICIPALITY and PE by conducting the SOCIAL ENGINEERING and by providing the PLANT AND EQUIPMENT

5.3.10 PLANT AND EQUIPMENT

Means all capital related items which will include and not be limited to the following:

- 2.3.10.1 Fenix thermal energy units, the supply, delivery, installation, commissioning, training of assemblers, training of households on the safe use of the thermal energy unit and the training of the preventative maintenance team;
- 2.3.10.2 The biomass converter and equipment, the supply, delivery, installation, commissioning, training of operators, first line maintenance and protective clothing;
- 2.3.10.3 The lease agreement pertaining to the ideal site, surveying, zoning where necessary;
- 2.3.10.4 The provision of services essential for the operation of the biomass converter;
- 2.3.10.5 The establishment of the site with ground works, buildings and required infrastructure;
- 2.3.10.6 Biomass collection equipment and protective clothing as well as the transporting of biomass from the source to the site; and
- 2.3.10.7 An environmental impact assessment undertaken by a nominated service provider.

5.3.11 PILOT PROJECT

Means the proposal that was submitted by PE and accepted by the Department of Minerals and Energy, the Departments of Local Government and Economic Development of the Mpumalanga Province as well as to the Bushbuckridge Local Municipality which will include and not be limited to the following:

2.3.11.1 The submission of a feasibility report containing details on the execution of the PILOT PROJECT after having identified a sustainable biomass source and a beneficiary community and after having conducted a socio-economic and bio-physical survey of the area of the beneficiary community as well as the identification of

beneficiary households that would receive the Fenix thermal energy units including recommendations for other sustainable projects that may be identified;

- 2.3.11.2 The registration of an operational co-operative, to be the holding company of at least one Small and Medium Enterprise (SME) and having an Memorandum of Understanding (MOU) and management contract in place with PE or a nominated service provider for at least three years from the date of the incorporation of the last Small and Medium Enterprise (SME) in terms of which the Small and Medium Enterprises shall pay to PE or its nominated service provider a management fee as part of its operating costs in a reasonable and business-like manner with an agreement with the co-operative to conduct the local sales of the carbon product of value;
- 2.3.11.3 The registration of a fully operational SME solely owned by the cooperative who will be the owner of the biomass converter and whose main business will be the collection and conversion of biomass into a carbon product of value, the packaging and warehousing thereof with an agreement in terms of which PE shall buy the total production of the carbon product of value at an economic price as agreed to between the PARTIES;
- 2.3.11.4 The identification of an ideal site for the location of the conversion plant and equipment including the provision of services essential for the operation of the plant, the long term lease of the land and the construction of buildings essential for the operation and maintenance of the plant as well as warehousing facilities for the carbon product of value;
- 2.3.11.5 The supply, delivery, installation and commissioning of a biomass converter with the ability to produce 200 (two-hundred) ton of carbon products per month;

- 2.3.11.6 The identification and training of a team to operate the biomass converter in according to the protocols of PE;
- 2.3.11.7 The supply, delivery, installation and commissioning of a number of Fenix thermal energy units to be agreed upon between PE, the Municipality and the Department of Minerals and Energy to identified beneficiary households;
- 2.3.11.8 The identification and training of a team that would assemble, install, commission the Fenix thermal energy units in the houses of the identified beneficiaries as well as training the families in the safe handling of the thermal energy units in accordance with protocols issued by PE;
- 2.3.11.9 The identification and training of a team that will be responsible for providing preventative maintenance on the Fenix thermal energy units in accordance with protocols issued by PE;
- 2.3.11.10 The demonstration of the biomass converter and thermal energy units to the Department of Minerals and Energy, the Departments of Local Government and Economic Affairs of the Mpumalanga Province as well as to the Bushbuckridge Local Municipality on a date to be agreed upon after commissioning of the conversion plant and the thermal energy units;
- 2.3.11.11 The rendering of managerial support and capacity building to both the co-operative and the SME incorporated to undertake the biomass conversion for a period of at least three years after incorporation at the cost of the co-operative and the SME; and
- 2.3.11.12 The appointment of at least two (2) non-executive directors on the board of directors on the SME to be incorporated in terms of the Companies Act 1973 (Act 61 of 1973) nominated by PE or a nominated service provider with a veto right on material matters to

ensure the sustainability of the enterprise for the duration of the management agreement.

5.3.12 SOCIAL ENGINEERING

Means all social engineering related items which will include and not be limited to the following:

- 2.3.12.1 Interaction with the Bushbuckridge LM LED Directorate;
- 2.3.12.2 Interaction with Traditional Leaders (where applicable), Ward Councillors and committees;
- 2.3.12.3 Identification of beneficiaries;
- 2.3.12.4 Preparation and submission of the feasibility report;
- 2.3.12.5 Conducting of the socio-economic survey;
- 2.3.12.6 Conducting of the bio-physical survey;
- 2.3.12.7 Market survey;
- 2.3.12.8 Facilitation of founder members of the co-operative;
- 2.3.12.9 Preparation of the pre-incorporation agreement;
- 2.3.12.10 Preparation of the constitution of the co-operative;
- 2.3.12.11 Establishment of the co-operative which will include an office, furniture and equipment;
- 2.3.12.12 Training of directors and personnel of the co-operative;
- 2.3.12.13 Establishment of the solid biofuel producing SME;
- 2.3.12.14 Training of directors and personnel of the solid biofuel producing SME;
- 2.3.12.15 Pilot project demonstration to the Department of Minerals and Energy, the Departments of Local Government and Economic Development of the Mpumalanga Province and the Bushbuckridge Local Municipality;

- 2.3.12.16 Local market development of the solid biofuel; and
- 2.3.12.17 Social engineering project management and social engineering project meetings.

5.3.13 PRE-INCORPORATION AGREEMENT

means a contract referred to in Section 9 of the ACT which provides as follows:

(1) A person who enters into a written contract in the name of, or on behalf of, a co-operative before it is registered is personally bound by the contract, unless that contract expressly provides otherwise.

(2) A co-operative may, within a month after its registration, ratify the contract referred to in subsection (1) by ordinary resolution at a general meeting.

(3) If a co-operative ratifies a contract under this section-

- (a) that co-operative is bound by the contract; and
- (b) a person who originally entered into the contract ceases to be bound by it.

(4) If a co-operative does not ratify the contract, the person who originally entered into the contract continues to be bound by the contract, unless the contract expressly provides otherwise.

6 PREAMBLE

Whereas

- 3.1. The Department of Minerals and Energy is desirous to give effect to its mandate in terms on the Constitution and the National Energy Act to adopt measures that provide for the universal access to appropriate forms of energy or energy services for all the people of the Republic at affordable prices taking into account:
 - 3.1.1. The safety, health and environmental suitability of such energy;
 - 3.1.2. The availability of energy resources;
 - 3.1.3. The optimisation of existing energy infrastructure;
 - 3.1.4. The need for new infrastructure;

- 3.1.5. The provision of information and training regarding energy and its optimal utilisation;
- 3.1.6. The sustainability of the energy provision;
- 3.1.7. Affordability;
- 3.1.8. Cost-effectiveness; and
- 3.1.9. The State's commitment to provide free basic electricity to poor households

And whereas

3.2. The Department of Minerals and Energy has indicated its willingness to finance the cost pertaining to the provision of plant and equipment required in terms of the PILOT PROJECT

And whereas

3.3. The Department of Economic Development of the Mpumalanga Province has indicated its willingness to finance the cost pertaining to the provision of social engineering services required in terms of the PILOT PROJECT

And whereas

3.4. The Bushbuckridge Local Municipality has accepted the PILOT PROJECT subject to the necessary funding being obtained and appointed Phambili as sole supplier of the technology, as service provider to execute the PILOT PROJECT

And whereas

3.5. The Bushbuckridge Local Municipality is desirous to promote local economic development

And whereas

- 3.6. It is the intention of Phambili Energy create an energy platform to achieve the following national and Millennium Development Goals (MDG):
 - 3.6.1. The eradication of Alien Invasive Plants (IAP's);
 - 3.6.2. Poverty eradication;
 - 3.6.3. Sustainable job creation in rural areas;
 - 3.6.4. Self employment interventions in the second economy;
 - 3.6.5. Fuel switching program to a no/low-smoke fuel to replace Dgrade coal in domestic cooking and space heating application;
 - 3.6.6. Decreasing indoor and outdoor pollution;
 - 3.6.7. Promote social cohesion;
 - 3.6.8. Skills transfer and development in rural areas;
 - 3.6.9. Energy security;
 - 3.6.10. Universal access to electricity;
 - 3.6.11. Rural electrification;
 - 3.6.12. Food security;
 - 3.6.13. Creation of community infrastructure; and
 - 3.6.14. Promotion of service delivery in rural areas

And whereas

3.7. Phambili is desirous to demonstrate the Fenix thermal energy units and the biomass converter on community level

And whereas

3.8. The FOUNDER MEMBERS have accepted the BUSINESS PLAN and expressed the wish for the forthwith implementation thereof in accordance with the MANDATE to PE;

And whereas

3.9. The FOUNDER MEMBERS are desirous to proceed with the establishment of the CO-OPERATIVE and the acceptance of the AGREEMENT by the CO-OPERATIVE and hereby undertake to submit the AGREEMENT to a general meeting of the CO-OPERATIVE within a period of one month after registration for ratification by ordinary resolution;-

Now, therefore the parties agree as follows:

7 APPOINTMENT OF SOLE MANAGEMENT RIGHT

The CO-OPERATIVE hereby:

- 7.1 Approves and accepts the BUSINESS PLAN prepared by PE as accepted by the Department of Minerals and Energy, the Mpumalanga Department of Economic Development and Planning and the MUNICIPALITY; and
- 7.2 Appoints PE to implement the BUSINESS PLAN within the MANDATE to establish the PILOT PROJECT.

8 OBJECTIVE

The objectives of this Agreement are to:

- 5.1. Demonstrate the Fenix thermal energy unit with the view of it being accredited to qualify in accordance with the Integrated National Electricity Program;
- 5.2. To demonstrate that the biomass converter can be sustainably operated and owned by a local community united in a co-operative;
- 5.3. Give effect to the mandate of the Department of Minerals and Energy in terms of the Constitution and the National Electricity Act;

- 5.4. Ensure that the PILOT PROJECT is implemented in terms of the MANDATE to PE
- 5.5. Give effect and support to the local economic initiatives of the MUNICIPALITY
- 5.6. Develop a blueprint for sustainable rural development to be replicated throughout Southern Africa whereby biomass conversion is used as catalyst for rural development and the deployment of the Fenix thermal energy unit is used to enhance the quality of life of off-grid communities.

9 MANDATE OF PE

- 9.1 The CO-OPERATIVE hereby confirms the MANDATE to PE as the sole and exclusive implementer of the BUSINESS PLAN in terms of the MANDATE in establishing the pilot project.
- 9.2 The CO-OPERATIVE hereby mandates PE to enter into negotiations with the other institutions and bodies to give effect to the MANDATE

10 MUTUAL SUPPORT

The parties undertake at all times to do all such things, to perform all such acts and to take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and import of this AGREEMENT.

11 DELIVERY AND OBLIGATIONS TO PE

- 11.1 The CO-OPERATIVE hereby acknowledges that PE is obligated in terms of the service level agreement with the MUNICIPALITY to execute the MANDATE and that funding for the PILOT PROJECT is provided by the Department of Minerals and Energy as well as the Mpumalanga Department for Economic Development and that PE cannot accept any responsibility or liability should the funders decline to provide funds for the PILOT PROJECT or any part thereof.
- 11.2 The CO-OPERATIVE hereby undertakes:
- 11.2.1 Not to cede, nor assign its obligations, rights or benefits under this AGREEMENT for the duration thereof without the written consent of PE of the MUNICIPALITY and first being had and obtained;
- 11.2.2 To endeavour to the best of its ability to do everything reasonable necessary for the promotion and advancement of the objectives of this AGREEMENT, the implementation of the BUSINESS PLAN and the execution of the MANDATE of PE;
- 11.2.3 To sell the solid biofuel to the local community at an economic price as agreed upon between the parties from time to time;
- 11.2.4 To take up a 100% (hundred percent) shareholding in all enterprises incorporated in terms of the Companies Act 1973 (Act 61 of 1973) to give effect to the BUSINESS PLAN in accordance with the MANDATE to PE and further to:
- 8.2.3.1 consent to the appointment of at least two (2) non-executive directors on the board of directors on each of the enterprises

nominated by PE with a veto right on material matters to ensure the sustainability of the enterprises for the duration of the management agreement;

- 8.2.3.2 consent to the entering into of an agreement between the solid biofuel enterprise and PE in terms of which the enterprise will own the conversion plant and equipment and that PE will be sole purchaser of the products of value produced by such enterprise at an economic price to be determined from time to time.
- 8.2.3.3 consent to the appointment of PE or its nominated service provider to manage the enterprises for the duration of the management agreement;
- 8.2.3.4 consent to an agreement to be entered into by the enterprise with PE in terms of which the enterprise shall take responsibility for the collection and conversion of biomass, the packaging of the carbon product of value in accordance with PE protocols and to sell the total production of the carbon product of value to PE at an economic price determined from time;
- 8.2.3.5 consent to the establishment of a maintenance team who will be responsible for the maintenance of the Fenix Thermal Energy Units in accordance with PE protocols;
- 8.2.3.6 consent to the payment of a management fee as determined from time-to-time to PE from the operating costs of such enterprise for the duration of the management agreement, and
- 8.2.3.7 agree not to make any statements to the media without prior consultation with PE.

12 DELIVERY AND OBLIGATIONS TO CO-OPERATIVE

PE, in executing the MANDATE as set out in the agreement between the MUNICIPALITY and PE, shall:

- 12.1 use all reasonable skill, care and diligence in the discharge of the MANDATE;
- 12.2 devote sufficient time and attention to execute the MANDATE competently, diligently, to the best of its ability and to the standards reasonably required by MUNICIPALITY and applicable to the execution of the MANDATE;
- 12.3 use its best endeavours to properly conduct, improve, extend, develop, promote, protect and preserve the business interests, reputation and

goodwill of the CO-OPERATIVE and the small medium enterprises established;

- 12.4 communicate with the CO-OPERATIVE by and through PE'S project supervisor, who shall have the authority to bind PE on all matters related to the MANDATE;
- 12.5 ensure that management services supplied to the CO-OPERATIVE and the business entities incorporated in terms of the Companies Act 1973, (Act 61 of 1973) comply with all relevant laws and statutory requirements;
- 12.6 at all times have qualified and competent persons, fit for duty, to perform the required services as determined in the MANDATE and in accordance with generally accepted standards and good practices;
- 12.7 immediately inform the executive management of the CO-OPERATIVE or its nominee, of any defect, incidents and damage to property, in particular but not limited to, those arising out of and in connection the execution of the MANDATE; and
- 12.8 furnish the executive management of the CO-OPERATIVE or its nominee with such information, returns and documentation with regard to the management of the CO-OPERATIVE and small medium enterprises by PE as may reasonably be required or required in terms of national legislation.

13 CONSIDERATION PAYABLE TO PE

The management fees payable to PE by the CO-OPERATIVE and SMEs incorporated in terms of this AGREEMENT shall be determined and agreed between the CO-OPERATIVE and PR solely.

14 VARIATIONS NOT EFFECTIVE UNLESS IN WRITING

No variation, modification, consensual cancellation or waiver of any provision of this Agreement, or consent to any departure there from, shall in any way be of any force or effect unless confirmed in writing and signed by the parties and then such variation, modification, cancellation, waiver or consent shall be effective only in the specific instance and for the purpose and to the extent for which made or given

15 PARTIES NOT AFFECTED BY WAIVER OF BREACHES

15.1 The waiver (whether expressed or implied) by either party of any breach of the terms or conditions of this AGREEMENT by the other party shall not prejudice any remedy of the waiving party in respect

of any continuing or other breach of the terms and conditions hereof.

- 15.2 No favour, delay, relaxation or indulgence on the part of either party in exercising any power or right conferred on such party in terms of this AGREEMENT shall operate as a waiver of such power or right, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or the exercise of any other power or right under this Agreement.
- 15.3 The expiry or termination of this AGREEMENT shall not prejudice the rights of either party in respect of any antecedent breach or non-performance by the other party of any of the terms and conditions hereof.

16 DOMICILIUM

16.1 The parties hereto choose *domicilium citandi et executandi* for all purposes of and in connection with this Agreement or any action to be instituted arising out of this Agreement or any breach thereof at the addresses reflected below:

16.1.1 PE:

96 Lindfield Road, Lynnwood Manor, City of Tshwane

And,

16.1.2	FOUNDER MEMBERS:
13.1.2.1.	; and
<mark>13.1.2.2.</mark>	
16.2	Either party hereto shall be entitled to change its domicilium from time to time provided that it is a physical address within the R.S.A. and any such change shall only be effective upon receipt of notice in writing by the other party of such change

16.3 All notices, demands, communications or payments intended for any party shall be made or given at such party's domicilium for the time being, and, if forwarded by prepaid registered post, shall be deemed to have been made or given 7 (seven) days after the date of posting.

17 ARBITRATION AGREEMENT

17.1 Any dispute between the parties in regard to:

17.1.1 the interpretation of;

- 17.1.2 the effect of;
- 17.1.3 the parties' respective rights and obligations under;
- 17.1.4 a breach of;
- 17.1.5 any matter arising out of:-

this AGREEMENT shall be decided by arbitration in the manner set out in this clause.

17.2 The said arbitration shall be finally resolved in accordance with the rules of the Arbitration Foundation of Southern Africa (AFSA) by an arbitrator appointed by AFSA it being the intention that if possible it shall be held and concluded within 21 (twenty-one) working days after it has been demanded (with the exception of urgent relief claimed from a court of competent jurisdiction).

17.3 The parties irrevocably agree that the decision in these arbitration proceedings:

- 14.3.1 shall be binding on them;
- 14.3.2 shall be carried into effect; and
- 14.3.3 may be made an Order of any Court of competent jurisdiction.
 - 17.4 Notwithstanding the aforementioned, no party shall be precluded from seeking legal assistance or approach a competent court, which it may otherwise be entitled to in terms of the Law

18 RATIFICATION OF PRE-INCORPORATION AGREEMENT

- 18.1 The parties hereto acknowledge that the coming into operation of the AGREEMENT is subject to the ratification thereof by the CO-OPERATIVE in terms of Section 9 of the Act;
- 18.2 In the event that the PRE-INCORPORATION agreement not being ratified in terms of Section 9 of the ACT:
- 18.2.1 The persons who originally entered into the AGREEMENT on behalf of the CO-OPERATIVE to be established shall not be bound by the AGREEMENT;
- 18.2.2 This AGREEMENT shall have no force or effect;

- 18.2.3 No party hereto shall have any claim for compensation or the acquisition of any rights and obligations in terms of the AGREEMENT; and
- 18.2.4 PE shall have the right to recommend to the MUNICIPALITY alternative strategies for the implementation of the BUSINESS PLAN without involving the CO-OPERATIVE

19 DURATION OF AGREEMENT

- 19.1 This AGREEMENT shall commence on the date of the ratification thereof by the CO-OPERATIVE in terms of Section 9 of the ACT and shall remain in force for a period of at least 10 (ten) years.
- 19.2 PE shall have the right of first option with the renewal of this AGREEMENT
- 19.3 Not withstanding the provisions of Clause 16.1 hereof, both parties shall have the right to give the other 60 (sixty) days notice of termination of the AGREEMENT in the event of the MUNICIPALITY withdrawing the MANDATE to PE

20 GENERAL

The parties hereby place on record that the laws of the Republic of South Africa shall be applicable relating to the interpretation and construction of any of the terms of this Agreement.

THUS DONE and SIGNED at on this the day of 2009, in the presence of the undersigned witnesses:

FOR AND ON BEHALF OF PHAMBILI ENERGY

AS WITNESSES:

FOR AND ON BEHALF OF THE FOUNDER MEMBERS OF THE TO-BE ESTABLISHED CO-OPERATIVE FOR THE BBR COMMUNITY

AS WITNESSES:

12.7. ANNEXURE 7: MINUTES: HLUVUKANI MEETING: 18 MARCH 2009

No.	BUSHBUCKRIDO	GE LOCAL MUNICIPALITY	
	Tel no :(013) 799 1851	PRIVATE BAG X9308	
	Fax no :(013) 799 1865	BUSHBUCKRIDGE	
State Conde	Cell. 079 874 3331	1280	

MINUTES OF THE MEETING AND PRESENTATION OF BIOFUEL AND FENIX COMBINED DOMESTIC POWER HEATING UNIT HELD AT HLUVUKANI ON THE 18TH MARCH 2009 AT 9H00

1.		Opening and welcome done by the Ward Councilor, Cllr. Mashabane D.
2.		Apologies were rendered for the Regional Manager Mr. Mlambo, Cllrs. Johan Ndlovu and Lessy Nzimande as they were
	attending a meeting	at Nelspruit.
3.		Roll call was circulated and is attached.
4.		B.O.D.
	4.1.	Grid capacity problem affecting BLM

The grid capacity problem was highlighted to the community members and that it will only be solved by 2012 hence the household connection will only be done in 2013 as per the network report sent to Bushbuckridge Municipality by Eskom Network Services. It was highlighted that all stakeholders to the development of the communities within BLM, chosen this municipality as a pilot for the Biofuel and Fenix Combined Domestic Heating Unit. This came at the right time since those affected negatively by the grid capacity problem, who will only be connected after few years will be provided with the units if they wants them.

4.2. Biofuel and Fenix combined domestic power heating unit

ITEM	DISCUSSIONS/QUESTIONS	ACTION PLAN	BY WHOM	BY WHEN
Solar vs Biofuel and fenix	The globes provided with the	The globes will be accessed	Phambili Energy will ensure	On the first day of providing

unit	solar unit are not accessible	in stores around and will be	that they are available even	the units.
	in supermarket and stores	provided any time a	to those trained individuals	
	around BLM and what kind	member will need to get	within the community	
	of globes will be provided	more.	provided with stoves for	
	with the unit and incase the		easy access.	
	members need to get more,		2	
	where will they be accessed.		Phambili Energy will provide	
			training to the community	
			for maintenance.	
Compatibility of TV and	Members of the community	The idea will be considered	Phambili Energy	In future
stove	are consent since the unit	for future as the		
	will not be able to	development of this unit was		
	accommodate TV and Fridge.	for time being.		
Accessibility of coal and	People are consent because	There will be a factory	Phambili Energy through	Within three months from
wood	the Traditional Authority	around BLM for the	trained individuals within the	April 2009 since the
	arrest them for cutting the	manufacturing of the type of	communities around BLM.	discussion with Department
	trees.	coal showed to the		of Water Affairs and
		community members . The		Forestry and LED both
		factory will belong to		Provincial and BLM agreed
		individuals within BLM for		on the factory.
		sustainability of this		
		programme and for their		
		own benefit as		
		entrepreneurs		and a second
Time frame	People wanted to know	There will be a meeting for	Phambili Energy and the	23 rd March 2009
	when are they getting the	final discussion and before	National Dept of Minerals	
	units	the end of the week ending	and Energy	
		27 th March 2009, a response		
		will be given to the BLM		
		representatives.		

5.Approval of the biofuel and fenix combined domestic power heating unit.

The community members are happy about the unit and a list of those who qualify to get them is attached.

12.8. ANNEXURE 8: MINUTES ISLINGTON MEETING: 18 MARCH 2009



BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851	PRIVATE BAG X9308
Fax no :(013) 799 1865	BUSHBUCKRIDGE
Cell. 079 874 3331	1280

MINUTES OF THE MEETING AND PRESENTATION OF BIOFUEL AND FENIX COMBINED DOMESTIC POWER HEATING UNIT HELD AT ISLINGTON A ON THE 18TH MARCH 2009 AT 11H00

1.Opening and welcome done by the PR Councillor, Cllr. Mavis Mathebula.

2. Apologies were rendered for Ward Councillor, Cllr. Kgaugelo Morale and the Regiponal Manager Mr. Mlambo

3.Roll call was circulated and is attached.

4.B.O.D.

4.1.Grid capacity problem affecting BLM

The grid capacity problem was highlighted to the community members and that it will only be solved by 2012 hence the household connection will only be done in 2013 as per the network report sent to Bushbuckridge Municipality by Eskom Network Services. It was highlighted that all stakeholders to the development of the communities within BLM, chosen this municipality as a pilot for the Biofuel and Fenix Combined Domestic Heating Unit. This came at the right time since those affected negatively by the grid capacity problem who will only be connected after few years will be provided the units provided they wants them.

4.2.Biofuel and Fenix combined domestic power heating unit

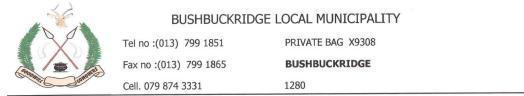
ITEM	DISCUSSIONS/QUESTIONS	ACTION PLAN	BY WHOM	BY WHEN	
Compatibility of TV and	Members of the community	The idea will be considered	Phambili Energy	In future	
stove	are consent since the unit	for future as the			

	will not be able to accommodate TV and fridge.	development of this unit was for time being.		
Accessibility of coal and wood	People are consent because the Traditional Authority arrest them for cutting trees.	There will be a factory around BLM for the manufacturing of the type of coal showed to the community members . The factory will belong to individuals within BLM for sustainability of the programme and for their own benefit as entrepreneurs	Phambili Energy through trained individuals within the communities around BLM.	Three months from April 2009 since the discussion with Department of Water Affairs and Forestry and LED both Provincial and BLM agreed on the factory.
Time frame	People wanted to know when are they getting the units	There will be a meeting for final discussion and before the end of the week ending 27 th March 2009 a response will be given to the BLM representatives.	Phambili Energy and the National Dept of Minerals and Energy	23 rd March 2009

5.Approval of the biofuel and fenix combined domestic power heating unit.

The community members are happy about the unit and a list of those who qualify to get them is attached.

12.9. ANNEXURE 9: MINUTES: BURLINGTON MEETING 18 MARCH 2009



MINUTES OF THE MEETING AND PRESENTATION OF BIOFUEL AND FENIX COMBINED DOMESTIC POWER HEATING UNIT HELD AT BURLINGTON ON THE 18TH MARCH 2009 AT 14H00

1.	Opening and welcome done by the Mr. Mthise.
2.	Apologies were rendered for the Regional Manager, Mr. Phineas Selowe.
3.	Roll call was circulated and is attached.
4.	B.O.D.
4.1.	Grid capacity problem affecting BLM

The grid capacity problem was highlighted to the community members and that it will only be solved by 2012 hence the household connection will only be done in 2013 as per the network report sent to Bushbuckridge Municipality by Eskom Network Services. It was highlighted that all stakeholders to the development of the communities within BLM, chosen this municipality as a pilot for the Biofuel and Fenix Combined Domestic Heating Unit. This came at the right time since those affected negatively by the grid capacity problem who will only be connected after few years will be provided the units provided they wants them.

4.2. Biofuel and Fenix combined domestic power heating unit

ITEM	DISCUSSIONS/QUESTIONS	ACTION PLAN	BY WHOM	BY WHEN
Provision of the unit to those	People are willing to be	The idea will be taken to the	Johanna Malebana	In a report to be written
connected to grid	provided with the unit	municipality authority for		after the community visits

	because even if they are connected to grid, they still use wood and paraffin for cooking. The unit will be easy for them as they will only use wood as opposed to buying electricity unit for lighting let alone cooking.	consideration under Free Basic Alternative Energy and that to reduce the load shedding.		for presentation of the Biofuel unit.
Accessibility of coal and wood	People are consent because the Traditional Authority arrest them for cutting trees.	There will be a factory around BLM for the manufacturing of the type of coal showed to the community members . The factory will belong to individuals within BLM for sustainability of the programme and for their own benefit as entrepreneurs	Phambili Energy through trained individuals within the communities around BLM.	Three months from April 2009 since the discussion with Department of Water Affairs and Forestry and LEI both Provincial and BLM agreed on the factory.
Time frame	People wanted to know when are they getting the units Approval of the biofuel and feni	There will be a meeting for final discussion and before the end of the week ending 27 th March 2009 a response will be given to the BLM representatives.	Phambili Energy and the National Dept of Minerals and Energy	23 rd March 2009

The community members are happy about the unit and a list of those who qualify to get them is attached.

12.10. ANNEXURE 10: MINUTES: HUTTINGTON MEETING: 19 MARCH 2009



BUSHBUCKRIDGE LOCAL MUNICIPALITY

1141	Tel no :(013) 799 1851	PRIVATE BAG X9308
2	Fax no :(013) 799 1865	BUSHBUCKRIDGE
	Cell. 079 874 3331	1280

MINUTES OF THE MEETING AND PRESENTATION OF BIOFUEL AND FENIX COMBINED DOMESTIC POWER HEATING UNIT HELD AT HUTTINGTON ON THE 19TH MARCH 2009 AT 12H00

1.	Opening and welcome done by the Ward Committee Chairperson
2.	Apologies was rendered for Regional Manager Mr. Ellen Mkhonto as he is on leave .
3.	Roll call was circulated and is attached.
4.	B.O.D.
4.1.	Grid capacity problem affecting BLM

The grid capacity problem was highlighted to the community members and that it will only be solved by 2012 hence the household connection will only be done in 2013 as per the network report sent to Bushbuckridge Municipality by Eskom Network Services. It was highlighted that all stakeholders to the development of the communities within BLM, chosen this municipality as a pilot for the Biofuel and Fenix Combined Domestic Heating Unit. This came at the right time since those affected negatively by the grid capacity problem who will only be connected after few years will be provided the units provided they wants them.

4.2. Biofuel and Fenix combined domestic power heating unit

ITEM	DISCUSSIONS/QUESTIONS	ACTION PLAN	BY WHOM	BY WHEN
Solar vs Biofuel and fenix	The globes provided with the	The globes will be accessed	Phambili Energy will ensure	On the first day of providing
unit	solar unit are not accessible	in stores around and will be	that they are available even	the units.

	in supermarket and stores around BLM and what kind of globes will be provided with the unit and incase the members need to get more, where will they be accessed.	provided every time a member will need to get more.	to those trained individuals within the community provided with stoves for easy access and the person will be able to maintain the stoves while paid by Phambili Energy.	
Holes to be done on the community corrugated iron.	People where concerned about the holes to be made on the roof for the provision of chimney installation as they do not want water to enter their houses during rainy days.	The holes will be water proofed and comply with National Building Waterproofing standard.	Phambili Energy	The day the provide the unit
Compatibility of TV and stove	Members of the community are consent since the unit will not be able to accommodate TV and Fridge.	The idea will be considered for future as the development of this unit was for time being.	Phambili Energy	In future
Provision of the unit to those connected to grid	Community members connected with grid wish that they be given the unit also. Of consent is the issue of the orphan who even connected to grid are unable to buy electricity hence it will assist if they be given the unit as they will devise means to get wood.	The idea will be taken to the municipality authority for consideration under Free Basic Alternative Energy and that to reduce the load shedding.	Johanna Malebana	In a report to be written after the community visits for presentation of the Biofuel unit.
Accessibility of coal and	People are consent because	There will be a factory	Phambili Energy through	As soon as possible since the

wood	the Traditional Authority	around BLM for the	trained individuals within the	discussion with Department
	arrest them for cutting trees.	manufacturing of the type of	communities around BLM.	of Water Affairs and
		coal showed to the		Forestry and LED both
		community members . The		Provincial and BLM agreed
		factory will belong to		on the factory.
		individuals within BLM for		
		sustainability of the		
		programme and for their		
		own benefit and as		
		entrepreneurs		
Time frame	People wanted to know	There will be a meeting for	Phambili Energy and the	23 rd March 2009
	when are they getting the	final discussion and before	National Dept of Minerals	
	units	the end of the week ending	and Energy	
		27 th March 2009 a response		
		will be given to the BLM representatives.		
Unavailability of tap water vs	The community members	The provision of water is the	Cllr. Mboweni Douglas and	Daily
the unit usage	are consent about the	responsibility of the	Regional Manager, Mr.	
	availability of the water to	municipality	Mkhonto Ellen	
	operate the unit			
The provision of grid energy	People were supposed to	The communities will have	Eskom and BLM	Until 2013
to those who were relocated	have been connected with	to wait until the capacity		
	grid energy but were advised	problem is solved and in the		
	by Eskom to be relocated	meantime they will be using		
	with the view that they will	the unit to generate energy.		
	be next to each other.			
	This was done before the			
	municipality could have			
	capacity problem.			

5. Approval of the biofuel and fenix combined domestic power heating unit.

The community members are happy about the unit and a list of those who qualify to get them is attached.

12.11. ANNEXURE 11: BENEFICIARY LIST: HLUVUKANI

BUSHBUCKR Regional Office

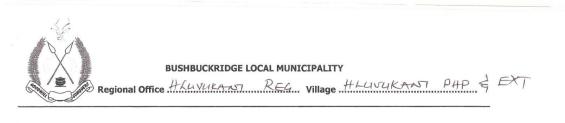
BUSHBUCKRIDGE LOCAL MUNICIPALITY

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FULL NAME	IDENTITY NUMBER	STAND	ADDRESS	CONTACT NO.
PHANUEL MIKHONTO 7302045574087	7302045574087		P. 0 BOX 227, HLEWUIGAN, 1363 6769857378	0769857378
NHRGARER MOLOULI	7007250907087		POBR752 HUINIDAN 1363 0720167325	0720167325
	6705180271080		P.66091415 HEWWEAR 1363 0827249202	0827249202
EUNNICE RUPERSAMI NULLOUT 810040649084	1810040649084		PEROTIS HLUWIKAM 1363 071387240	07/587240
SELDAH MBLUCI	726601 0488 084		F.OBDY 1415 HUNNAM 1363	
ESTHER MATHONSI	500505 0361082		10 80×1415 ALLINGUARNI 1363	
BETTH MOLOUN	6907060691086		por Box 436 Huwkern 1363	0790128276
HIKINE MUCAUSE	8807290503085		PEBERS 387 thursdrawn 1363	
UNHE TEANETH MICHAGED 8412030884083	5.807887807178		807 807 807 HUWLANII363 0797271964	4961626664
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CONSTANCE BUSI NIHLONGO 780313 0432081	7803130432081		Pieber227 Hunutrani 1363	0825486562
JOSEFHIMAN HZIYAME 731105 0487 085	731105 0487 085	34	9:080x787 HUNNKANI 1363 0732970556	0732970556
FAZA ELMONI KHORA 4410205247080	4410205247080		P.060x1415 ALWORDANI 1363 0793127779	0793127779
NTOMBI 20000 1121MBA 606420 0732 081	606420 0732 081		P. CBOX 787 HLWULKANI 1363	0782796655
SUDDAY MANYILE MANYILE 440705215089	+ 440705215089		PEBERNYIS HLENDENKANN 1363	0793127779
Internati VIDE KHOSA \$703125958083	8702135958083		P.OBOX500 HUNNIGANI 1362	2796715642

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FULL NAME	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
NERVILLE MATHEBULA	8306195601086		P. OBOX 227, AlucuKANI 1363	0737/16178
HARRY NOLOVU	8007135653084		P.OBOX227 HLUULKANI 1363	084.0821619
FORSTER MISOKODO	7306016195087		P.OBORIIS HLLENEKANI 1363	0715714741
MARIA R. ICHOZA	7006210928081		P.OBER HLUURIKAMI 1363	879871564287
JUSTILET. MHLONGO	6903116010082		P.OBOX HEUVERANI 1363	0797279863
PATRICK.K. MANYIKE	7304185608089		P. BOY HLeverAM 1363	0792165563
LUCY MATHEBURA	74050205/3085		P. OBOR HILLOURANY 1383	0768582103
LUCKY MBOKODO	7003075640083		P.OBOX 118 HEUVERANI 1363	0837543813
MAYLINAA N. NHLONGO	521/30 0526 082		P. OBOD HLUSUKANI 1383	07/6364194
MAGRETH MKUNG	5612160278088		P. OBOP 227 Henrekan 1363	0799126543
EPHIAS M. MASHALA	4110175243081		P.OBOR HLUURANI 1363	0786180809
TSAKILE MBOWANE	7306090408083		P. & BOR 118 HLUULKANI 1363	0761059185
LTDIA MALALE	6909150720084		P.OBOX227 HLWUKANI 1363	0760725755
WINNIE MASHALE	7609190931080		P. 0358/18+1/2002/KAH1 1363	0786180809
BETTY NALOVU	7201041272086		PODOR 118 HLUURAANI 1363	0790322153
HINDE MALOKOLE	3205200263081		POBOX HEUVURANI 1363	0736062660
LEYINAH MASHALE	7111170559080		Huurikam 1363	
Nomsa Chaul	8304070993022		Hruvukani 1363	0763559339
mandy wthatin:	180609 574708	8	P-BOX 273 Hyunkan 4	630 072814847



BUSHBUCKRIDGE LOCAL MUNICIPALITY Regional Office HLUVUKANT PHP $\in EXT$

FULL NAME	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
LUCERT ZIMANDE	6812080465083	78	HLUVUKANI	0720480835
PATRICK GUMEDE	6612195276080		HUVUKANI	0762108981
CIL77 MYA THI	8807276315082		HLynu KAN?	0789838647
LUSY SIGIYA	8009031278081		HLUVUKANI	0734863347
EUNICE MORKA	7205180271090		HUNURANI	0838785656
ROBERT THENGWAJO	6005305414081	562	HLUVUKAN1	082365142
LINIAN MATHEBULA	7009010404089		HLUVURANI	0848177886
Petrus NoLOVU	7508295396284		HUNUKANI	0739530703
Given MICansi	7806045814087		Huvykan,	0760222408
PRydanco mnisi	730411 0489 086		Hluvukani	0836831970
Emmanded Xiboyang Mis	770718 5466 086		HIGYLICON	0725872827
Bongi Mathebulg	711109 0299 020		HIUVYKeni	0834957946
FEMIAS NGUENSHA	200502 5174 084		HIUVYkani	076 137 9495
PRETTY MIKHONTO	8201050672084		HLUJUKANI	0826774083
Constance Mhiongo	7507120828089		Huvukan	0724743504
BETTY MACHABE			HLUUUICANI	0762954627
Nosia Chant	650101369 4089		Huvakeeri	0761379495
Moluli Germinan	750115064081		HUVYKEDi	0722406372
REBECCA Nyothis	751123 0526 088		Huavakan	0724038694
	7908150776083		Heeverkan 1	0722326814

Regional Offi

BUSHBUCKRIDGE LOCAL MUNICIPALITY

FULL NAME	IDENTITY NUMBER	STAND	ADDRESS	CONTACT NO.
Douglers Makerso	Douglas Makanso 7505255437030	126	120x 209 Hundren 12 0725004330	02840052
Phylis Withe twe 7806101313081	7806101313081	88	BOX 45 fluer 276	D766198629
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Nalytoko Solomon	10904135830081	200	P.O.ROX HUI HLUITING ISTRORZ 4307921	4307931
Khose Sloengile	7603280468087		P. C Box 45	
Matucbula Iris	7440150461059	128	POBOX 2448 HUNNIRGIN, OT24734 606	-4-34 606
Meliuci Tholes	7306160640086		PO Rex 245 Munitoni 075	ELISCHISLO
Maburda Chory	78 592505050		. eco .	t 888beeeco
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MARINE SIZAN THO JOURS TOSK	9801750405.04r	0.01	R. & Eat SUL Human DR.	3649245
FLOREN MERLERULG (SOSI)- 0003 08H	CSOSID DARG OBH		P.O BOX HOTHHOND OTS 3511 640	2 3SULEY
Mashermberge Butting 8211125525084	8211125525084		P.D BOX 163 Hundrein OT2 3038400	23038406
Sycen Manjzumin Zinande 7010230317085	2802120220106		P.O. DOX STY MULLIMIN 133 073845 DOG	SHSOOL
Sibury Eugene	4500845000042	101	PO BOX 575 HUNURANI 1363 1073 2870660	2370661
MASHILE OUMA	791022 0565082			
Zenzile Cythia Mathebyla	419			
NOHLOUN BUMEth	7801055764082		POBOXIO HLUVUKani	
Jerman Zitten				



FULL NAME	IDENTITY NUMBER	STAND	ADDRESS	CONTACT NO.
MHL abili Wadla				
	8207753751012	26	P D DEX 996 Hundren 0782372525	223272525
116	741108 0358 030	155	PO Box 344 Hunner 0737404313	0737404313
1 2	7706036180082	111	b. O. BOX 827 HUNNUKOWI N724640973	0724640973
Thereful Mowen 3304180	3304180355080		P. O Ber 27 Aluruhan 0721356600	00221856600
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Mathebuler Godfrey	7412265388082		P. O BOX WELL HLWWL UZZAY 6230	032 AN 6230
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Audra ridiou	52061 ha 102022	1413	Po. Box 611 HIWUKAN	P.O. B.J. HINNIKON, HISSOCHI CTINICATI
Durch chaulte	790615077 6252		ROBOLISH HUNNIGHI	4139236614
Mainin Rumero glosuphoologi	71030700000			- CDP424680
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CUARICLEE MADOLOTA 6512120946080	0809470476181		ROBON 118 + Dufu OF63141350	0763141350
Critis Mathebula	Critis Matuebula 83 05 20073 9083	~	POBOX 356 HIUMANN OTS 5557332	-CEST 282 800
Agree Molucia	7612100296081		Pro. Box 273 HILLUND	079013-69
Mury Matuobula			P.O. Rox 2 by	-
BRIDIN ZIMANDC	8312265704081		PO BOX 8 HEUGURAI	4144 CCS 100
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Regional Office HLUVUKANI REd. Village HLUVUKANI PHP & EXT. BUSHBUCKRIDGE LOCAL MUNICIPALITY 34

2	Bioteel		and terris unit	
FULL NAME	IDENTITY NUMBER	STAND	ADDRESS	CONTACT NO.
Mainha Cuscice	1905125682081	A	20652741414141000 12135 08373861255	5551386280
mimber (Wristopher 7702015264086	7702015264080		ROBOR SII HUNULIKEN 1212	0235517561
AEROHAM MANSI	200912 5687 080	105	P. D Box 26 Munitary, 1363 073 8827 669	699 LESS 620
Vust Thibele	2003035795 08 3	27	PO BOX 02 Minuteani, 1363 072 X29 6257	67283 825 6257
Whiskey Madeko			P. 0 Bax 103 Hundrean, 1363 072 4951715	S121267 610
Report Theledi	2 20 LZSS SIHOLL	401	P. 0 Box X, Huminan' 1363 079 6037 396	0796037396
Jacqueine motors 81010 2413082	5101012413082	143	P. O Box 309 Himykan 0725069225	0725069225
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NGWENYA NESIZI	741104 0641 088		P. c Box 183 Hundren 0736208300	0736208300
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TAME CONTACT GNATURE Thengwayo Robert 082 3656142 (h) there 30 0767394145 2) unisari 17 aug Fihosa. 31. Monucarse 82 Mucause Nikiwe 0732000004 0790128276 33. Betty Malouy BN 0738456066 Zimonde 34. Suzen 35 Mayreen Tchildane pn.7 cliloane 0796821240 36. Josephina NZiyane 0732970556 J. NZIYONR 37 Fammie WHALA 076 B99 7 MO 4 GUHALA 38. Phanuel Makhonto Allorio 0769857378 39. Nety Mhlanga N.Mhlanga. 073 S114161 P.V. Molovy BO VINOIA Mellouu 07.98462901 K. Matubarg Mathobu 19 41 Winnie 40. ABRAHAM 072 8827 669 NNIS Adris L. NOLOVU 0721853134 43 Lucy NOIPH HE ABSALOM MEHABELA (My Lunch 0724640973 45 Justice Maimba 0837287225 073 48 63347 5,5149 46 2454 515149 L 0713567240 Annah Myatui A motor; 47 48 EUNICE MUDACA E. Madaca 083 8785656 49, MarGARETA NDLOUL 072 0167325 M. Nollovu. 083 8785656 SO. SELDAH NDLOUL. S. Nelouu SI ESTHER 083 8785656 E Mathonsi MATHONSI 52. NOLOUU HEMBI 072 9335 208 T. MDLOUU. 53 Rhoza Girt Dolly 0827249202 D.G. Khoza. 079727964 M: HAKINGberg SIF Mikhabera Linhie Manyike G. ss Manyike geshong 0797271964 0780754963 Ntope PN 56-YVONNE MZIMBA 0782796655 Z. Maimba 57. Zodwa 58 Given g. phosa. Chosa 0738103578 V. Mathebula 59. Valley Mathebula 072 9755527

Roll CDUG Contact Name genatur-60. Khumalo Ivy 0798153503 61. THERON MATHEBULA 0736069052 J. MATHE BUCA 62 Bettes Bridioiran 13 Sudy chowle NA b. Chause 64 TSakani Nauenyang 6846322956 7 Neprescience 65 LUCKY mboked 0837543813 L Mborodo & BOR, le mbourene n/A 1- mbowane 67 Nelson mastile 0766959396 MACh 0728148475 68 Chris methabin! Cats/ 69 Lukas Nghomana Laghemane 10 Robars Mamba 0120269929 71.7075tor Alberta 571 5714741 7. mbokodo 72, constance Mbox =82 5486 562 C. MALON90 73-ISRAL NOLOVI 10736852984 NOLOGU K 74Khosa Ishmael 0796715642 75- Ndlow Gloria 0765498244 N. YORig 76 ULISI minianga 0837238220 Mylanga V 77. ALice Mkans 0733083342 A. Mlegner 78 Critis Mahabulg 0785857322 Cto 76. Charlotte 0763141350 77 EUNICE 0713567240 EK Ndlove 7854mede Mandia 0727178991 Gumede M-79 Idhanna Maleband 079 874 3331 MMalebaa

12.12. ANNEXURE 12:BENEFICIARY LIST: ISLINGTON

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BUSHBUCKRIDGE LOCAL MUNICIPALITY

	Biotue	land	Biofuel and ferrix unit	
FULL NAME	IDENTITY NUMBER	STAND	ADDRESS	CONTACT NO.
Myathi helieent M. 870820 0833 085	870870 0833 085		Benzie Kuntundele 1367 0787333956	0747733956
Mhiman M. Wiltern \$7000 5263 050	<u>କ୍ରୀ</u> ର୍ଭତୀ ଚନ୍ଦ୍ର ହେଏ	975	Benils lovollorata 1367 M/A	AIA
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Mulenen mandla 880909 bb33 031	880909 6635 031		Bar 26 propherera Bir orts 784 6161	1919 192 510
Memana Bully	1201020 12021		Benzer Acernhotic (365 672 0363643	672 0363 6V3
Methyle Memory & 60316 1138 059	860316 1138 089		Boy 516 100000000 1367 079 6100056	0196100056
Silveryi contry reportor 1/26 082	190901 1180 083		Box 255 brownover 1361 0764091 225 X08	Stalpongla
Mabuelorgs. Floride 761230 0557 184	1612300557184		Rex 430 Acompace 1360 072 0497631	1897 Pro cro
Methebula Agentine Stocyal 1090 082	Storyal 1090 052		Box 430 Acornhede 1360 052 5091190	251605 620
Mbarett Fleshming WOSZS 0231 188	UT0828 0731 188		Ber 430 Acornicele 1360 012 049763	129600000
Siducit Arreads 631211 5330 088	631211 5330 088		Box 111 Khole inclassing of 574 3358	098743388
Adview 3. Altred moses 6723 080	moses 6733 080		Bay us cholowerg 1367 072 2311 405	072 8311 405
Melian Moses	CONSUS PECIES		BOX 153 ACONNUCTO 1360 078610 5329	0786108329
nappent nelson 190101 8036 080	770101 2036 030		Bar 496 WILLIAGE ABOUNDAND APU RAS	Prostre participation
Maney M. Elsen Tooyob 5336 Chip	10040653336 CEB		Bay 153 64004046 1561 0797972 60	019797960
Melete Eurice syroal osso osy	841031 0880 087		Ber 153 Wellworder 1367 07973670830	OFSOL92.00

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Maleter V LILLY 74011 03 05 083

Box 60% [240] [240] [256] [276] [276] [255] [200] [200]



Regional Office 14 100 Region Village Istington Trust

FULL NAME		IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
STANFORD	Mrisi	811022 5642 080		PO BOX 453 KHOKHOVELA	083 540 1085
FELANI	GUMEDE	280906 0132 083		PO BOX 453 KitoKitovEn	073 978 6597
TINTSWAZO	Sibury	770420 0410 082		PO BOX 155 KHOLMORA	072 8767 131
ZELDA	Sitteri	750215 1203 088	49	PO BOX 417 KHOKHONELA	072 0778 495
NORAH	MASWANGAM	600102 0274 082		PO BOX 409 KHOKATEVELE	084 2929 054
PONTSHO	MASHILE	386109 1127 087		PO BOZ 56 KHOKHONGA	012 2.023 879
ERAFIE	MOYANE	75 1204 0880 087		PO BOX \$49 KHOKHOURA	072 6946 908
RUTH	MICHENTO	831104 1061 089		P.O Box 2083 KHOKHWELA 1367	072 7151 868
ROSLINA	NyATH 1	480410 0273 185	-	N/A	N/A
ANDRIES	MONGOE	7602 02 7981 188		P 0 Box 422 KITUK HEUEA 1367	072 \$933 787
LINDINNE	NYATH	790615 1097 087		P & Box 422 KHOKHONEURISCT	079 4068 438
ESTHER	MAISI	660306 0412 082		PO BOX 233 KITOKHOUELA ISCT	NA
LOUISE	MATHI	590213 0253 182		PO BER 422 KHELHOUGEABET	682 3943 809
SONIA	MDLOUM	801208 0992 081		PO BOX 210 14HOUTHOUTENIZE	072 1422 535
JEANETH	MAGANAA	630307 0433 182		POBON N/A	N/A
PANEL	NYATHI	\$11023 5399 085		PO Box 210 KHERCHEVERA	079 (393 180
PRESCILA	NYATHI	840522 06 09 083		POBOL 210 KHARKSIEWA	072 1575 548
Juni	Rikitotso	790211 5871 089		POBER 422 KARCHENCHA	079 2255 687
UTILE	Novery	85 08 04 08 98 056	-	P O BOUS 422 KHERHOVERA	072 7895 479
Nomsa	NACMANE	370507 1166 036	-	PO BOX 422 ICHTOKHOLEN	079 9571 989

BUSHBUCKRIDGE LOCAL MUNICIPALITY

Regional Office .Huwakeani, Reagion. Village Gold And Andrea

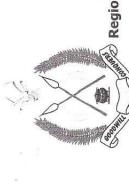
FULL NAME	IDENTITY NUMBER	NUMBER	STAND	ADDRESS	CONTACT NO.
Abelph Nalevu	780405	ST449 084	1	P 0 Box 453 Kitchitevena	101 0535 260
CM. PHAVIA MATHEBULIA	1050266	680 1510	Į	Person N/19	516H 380 H218
SANI NYAAHI	7802 19	0331 684	Į	P Base 458 Icitalettavering	613
Depence ZITA	861216	6353 083	1	POBON 453 KITOKITEVERA 072	7735
RAYMOND MOTULLI	79 02 07	7500 651	ł	P 0 Bux 527 KHERMENER	082. 2211 825
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SELINA MAGAGULA	910603	1235 085	1	NIA	073 2824 089
Martiserry Herzsie	93022 0559 063	0559 063)	Rex 109 [Chephoseles 1367	BU2 autob out
Molomo. M. Meclas	- Leasy	7/2022 5883 584	1	Berliad Acordian 1360	043963708
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Phone Arrios P.	5571011 5732 081	130 061	1	Ron 357 Chorlectarsa of 530 8671	1632328671
Agoveri Venting	booton 0385 189	0385 189	1	BOX 118 KUNOKU WAREN TS1064 869	10751064869
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FULL NAME	ш	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
MAISI	MMISI AMMETH	7804310155089	/	BOX 37 HIOLIOUGIA 1367 C	E9 20 200 210
191917	PORA	2022222202011	l	Rox 37 Auctuovely 1367 C	0713922685
MHAT.	Silongile	5108781351083	53	BOX 485 Proprovela 1367 C	0837403495
Siburi	Siburyi MORIAN	51111 OS OBS6 06 5	l	Box 3063 KLollovela 1367 0731070	0101012LC
REALER	MASHARA JOSEPH	051012839 05S	101	BOX 2008 Accritock (360 07	61298 11220
FUBRTI ELSON	ECSON	85 0805 borb 080	I	BOT JOBS KINHANDIA (267 (412P191910
MATHERU	MATHEBULA GIORY	8502601 21E038	١	BOX 417 KLOLLOVER (369 0)	SLEBOUSELO
MOLOUG	MOLOUN LINDA	57021906309631086	I	Private 1349 432 Bear hock	71/17
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KLOSA ACITSA	Mortsa	130 5130 60 4011	ţ	BOX 4010 Moinhock 1340 0	0762881634
Selepe	SELEPE KGANAMA	7401380604086	I	Box your Acorhoek 1360 0	Styles racing
MENNS:	apparesi charshad	0504041531 088	103	Box 30 Hluvukan 1363 00	042.35873489
225125612	MASINGA SALPHINA	281 1000 CO1185	I.	Rivale Bag Auso Sector 1078 4487730	784487730
m HLUNG	MHLUNE FIELIETA	25 06 17 05 96 186	١	Private BAG X430, Acordek 078144572	9272441870
ZITLA SALIA	SALIA	121210201010h	ſ	Privale Bag X436 Acorder T	0137520918
201000	Aquenèna	HEORERA SENEL	١	Private Bag Xyzzz Acon 073 7520918	31530918
うつうちょう	MALOUG SUZAR	280 1901 08 50 66	l	BOX 35 68 Acornhock 1360 0	0785911756
Macbern	Macheni Maria	450808 0296 036	-	Bux 35 be recentock 1340 078	distines stu
ngotochi	PLIND 1	2818161 50 4089	I	REX 35 66 Acor Hock 1360 D	175215241
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Regional Office A hundrent Barayan. Village "FSUn a ten Indist

FULL NAME	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
Molechi M. EVICSES	750303566053		Bex 200 High Lani 1365 0134107608	20910141020
MAULICE GLEEDESS	221100 0202 0210		Kex ILS DHERIEVERA ISET OTSS EKS. 051	015 S' 662.051
Averu Chapona	P80 COLCIDEORALY			019878000
Menhermer Rendreel SJoson SITO 155				CPC8291100
Mete Norman	124325 5713 686		日の 37 ないしいいいしょうろう しろう いろいろい	0371355%C
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Mathalog Serry	770104 5477 0857		Retract Acorniner 13600121057654	0121057654
Methodoria Ryandran 4740101 (253 083	440101081 083		(129 L2012 LU
Maynebulater Celly	230 015 HO 60 52		Rex 282 Phoblasta (36) 083 999284	033 9993804



Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT	Buofuel and fenix unit presentation
DATE	18 MARCH 2009

ISUNGTON: VENUE

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
AMMETH Mnisi	1 T			Td60800 6TO	
HRISTIMAN MKOS	X II			0834898626	
ESHER MINIS!	7 -				
SAIPLing Masingq	212				
fleheta Malune	1-0				
khenasi matlebula	a o				
Linah THETHE	- 0		10		
ROSING Flyathi					
SCHMETH Mabunda	- 1-				
Zitha Salia	5				
PRETTY Maumba	75				
CARLIFORNia Myath	$\langle \langle \langle \rangle \rangle$				
LILLY Malele	C +				
Eunice malele	6				

101 20

20 Vhellem Milliongo Cir Mauis Mattebula BLM 0(3799/85) 0798743358 Jahama Malebana BLM 0(3799/85) 013799/865 0798743351



BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851 Fax no :(013) 799 1865

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

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ATTENDANCE REGISTER

SUBJECT	Bioture and	terrix	unit	presentation

DATE	18 MACH JUD9
VENILE	73/179709
VENUE	

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
MANDIA MILLONG	¢ Z,				
MARIA SIGNY!	0 11				
MEMORT MAChurd					
LEARTO MASSILE	a l				
MORIAN Maswanger	NI 1-1-				
ERAKIE Moyane					
gladys selepe	0				
Florida Makunku	a 10 -				
Linda Malouy					
Loise Myathi					
prescila Myathin					
Melson ngdeni	FF				
Adries Mongoe					
PAKie MHIODO					



Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT :	biofuel a-	d fenix	unit p	resentation	
DATE :	3 MARCH	1000 2000			
NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
CINHIA Make	bole				
Daligent Myati	1 27				
Enly silveye	0				
etson malloug					
MICOLOS MODIAN	no L'-				
Morman miloto	T C C			0827135580	
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Angricss Sibuyi ZCIDA SHIP! 91089 MAThebulo

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BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851

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PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

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Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT : biophel and finit unit presentation DATE : 18 MARCH 2009 VENUE : FELINGIION:

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
STANFORD EN	nysisan. nyaty	0739790399		083 540 1085	
RHULANT MATH	EBULATIONSEN Rollax	0735911756		078 617 2760	
Bonai MATH	ceucamonya nappon	0785911756		012 466 9741	
	osi Ling ngoseni			072 3609 686	
SIBONGILE NA	LOVY	7		073 2924 089	
BELINA MAG				072 466 9441	
SARAH KGW	ENI (a		17	072 466 9741	
Dyonbzani MATI	HEBULD D			073 109 7654	
PRESENT HLAD	HUSAYC U QU Q			078 6815515	
Ezekiel mathele	u a			0833441538	
cuff mathebul				079 5916805	
Affred Na	the vy FF			0728811405	
Kaymont	nelleuri , - +			0872211825	
Addiph N	agith (0728650121	

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Cassing	Conqueto

Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

VENUE :	Fsligton			
AME	INSTITUTION TEL. N	O. FAX NO.	CELL NO.	EMAIL ADDRESS
OMSANGOMANE	A		0799719894	
ELANI D. GUMEDE			073 9786597	
indieve, Musa Nyati	XU		0794068438	
chan Moses	a		0786108329	
nd dupthy	ifl		0791993180	
14 Rikherso			0727395479	
quiata Makidu			0727395479	
onia molto vu			0721422535	
NICOLOSM	30000		0769479769	
hadreck ng	oven		0727736704	
Bana Zith			072749899	9
aPHAEL M	ATTEBULA		1 11/2/	
Barrina Zill			0727735709	
19eritha	ndhlavy		07696962	

12.13. ANNEXURE 13: BENEFICIARY LIST: BURLINGTON



FULL NAME	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
SHADRACK				
Mathebula Shadrack	740621 5376080		Private bag X430 Sesete	0766571607
Mindhlovy Logva	730815 1151 081		Private bag X420 Sesete	071165'8407
Mathabula Dina	570202 0299 182	~	Private bag 1420 Sesete	
Maile Bigine	1203120618080		Privette bagxyzo Sesete	0788106771
Datomane Julig	7606090312080		Private bag xuso Sesete	0837602188
Mathebula Christing	531219 0337 083	`	Pringte bagy 430 Sesete	0735957798
Maratly Selina	820403 0868087	-	Private bag +430 56500	083 5385234
MAILINGANA SILIETA	600314 0374 180	2>	Privette bag \$430 Sesete	
Manyike Victor	790609 5973 187	T	Private bagx430 Sesere	
	1830780884084		Privere beg X430 Sesele	
Monaveng Maris	8607141182083		Private bagy 430 Sesere	
Mohigia Leisy	670305 0506 085		Private bag x 430 Sesel	
Notubane Lini	5709255868086		Private bag X430 Sesete	
Church of Mazavene			Private Sagixoso sese	
Eastern Districk	61040108(2083			0829586692
Kghienya Zanele	8208070503082		PIGIBOX 427 KHOKHODELA	
Nelweny Eunice	8201130847086		Private Dag X430 Seset	
Settiwane Esey	741117 5409 087		Private bagy 430 Sesete	0765007296
thumalo Manella	120302 5876 080		Private Bag+ 410 Madizi	0739608994

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BUSHBUCKRIDGE LOCAL MUNICIPALITY

Regional Office ... A. C. O. M. H. O. K. Village ... BURLING TON TRUST

FULL NAME	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
NJATHI SIMON	7906067112087		BURLINS FON	0726900143
RAMSON MASERO	6/10225368084		BURLINSTON	0720114935
MNISI MONICAH	7501011559085	2	BURLINGTON	0724128401
METHEBULA EXCELLENT	870822 5523083		BURHNSTON	072 3417081
MBSERO HLAYISERA	8712085840082		BURLINSTON	072 7984104
BERICK MHLONSO	6701035692 0823		BURLING TON	082 6953343
IVY MASEKO	6501020490083		BURLINGTUN	0720114935
MANZINI PAS	8507175866082		BURLINS TON	0736755892
MGYBA BORDTHY T	560601 0321 080	A	BURLINSTON	0724918675
MANZINI VICENT. B.	790316 5389 089	1	BURLINSTON	0760735562
MAKAMU	5611075382084		BURLINE FON	
CHILDANE EVANCE	830127 5605081		BURLINSTON	0747285521
DIBALOANE WILLIAM R.	441207 5382 088		BURHNS70W	0849170834
MOROPONE LALEAH	280403 0168 085		BURLINSTON	0849170834
KHORA APRON	690930 5406 080		BURLINSTON	071150347734
MAJIE NYATH ELSIE	5405060710080		BURLINGTON	0724609764
MATTIE RESIE M.	2711230/38 083		BURLINGTON	0763429839
THERO JESTHER	4603020374 085		BURLINGTON	082 5390 319
NOLOUU FLOJD F.	860505 6866 088		BURLINSTON	0724481145
NOLOUU LUCAS	8809225828082		BURLINSTON	0339438585



Regional Office ACOKN HERE VIllage BURLINSTON TRUST

FULL NAME	IDENTITY NUMBER	STAND NO	ADDRESS	CONTACT NO.
MBAZIMA COLLEN	910904 59523 080		BUPLINGTON TRUST	0729502252
NTHANE SYNDNEY BOY	7504055855088	0	BURLINSTON TRUST	0843852006
LOWRENCE SELEPE	7111175424082	11	BURLINGTON TRUST	2
MAABANE SIBWELL	7512135517 081	1	BURLINGTON TRUS	T
NOUBANE NOMSA S.	730202 0710086		BURLINGFON TRUST	0825970453
MTHOMBENI CBADIA	780202 6574089	1	BURLINSTON TRUST	078 900 3466
MAHLAKE STANFORD	7706195267088		BURLINGTON TRUS	7 0723130197
FARME EDBY	840707677090		BURLINSTON TRUS	5 0723907027
MATHEBULA CALVIN	7809065729086	/	BURLINGTON TRUS	7 0834971866
MIKANSI MBONDOL	3402105148089	N	BURLINSTON TRUS	5
CHILDANE EZKSON	5604165248083	A	BURLINSTON TRU	57 0725970313
	7508275554082		BURLING PON TRUS	9 0791115199
NUKERI MAMSY . S.	730602 0374082		BURLINSPON TRUS	P766650625
MNISI MASOME	6703145611 086		BURLINGTON TEUS	0725189050
KUBAYI MNYENYIWA LILLY	6102100728086		BURLINSTON TRUST	0765798019
	630225 0684 085		BURLIN'STON TRUST	0795953244
Seoke JABU MANDLA	8408045931088		BURLINGTON TRUST	0744250846
MOHLOLE DIFFERENCE	7907025855080		BURLINSTON TRUST	0744250846
MOYANE GLENDA	820211 0652 082		BURLINSTON TRUST	079593244
	6102015519 083		BURLINSTON TRUST	



Regional Office A CORN HOCK Village BURLINGTON TRUST

FULL NAME	IDENTITY NUMBER	STAN NO	D	ADDRESS		CONTACT NO.
TSELP FORTUNATE	7903100373081			BURLINGTON	TRUST	0765525895
NGOBENI GRACE.M.	6312030922085			BURLINSTON	TRUST	
NTHANE CONFIDENCE . A.	7509160432087	. [BURLNSTON	TRUST	0727590275
MTHOMBENI SHADRACK	7504-195356088	\mathbb{O}		BURLINSTON	TRUST	08331592+3
MASHEGO LINKY C	770715 0394081		M	BURLINSTON	TRUST	0835154180
SIWELANE LOSINAH	800302 0884 082	11	1	BURLINSTON	TRUST	0836658796
MOLDENA UHINAH-C.	7801190490080)	BURLINSTON	TRUST	0729931675
MARABA THUL	8610250-817 085			BURLINSTON	TRUST	0760669607
NSOBENI CINDY	8502180752088	Δ		BURLINSTON	TRUST	0729675480
	420522 5222083			BURLINSTON	TRUST	0822210219
NOZUKULA REMEMBER	8009165528087	X	LiA	BURLINGTON	TRUST	0826903011
MATHEBULA SHORENCE	7603030443083		11	BURLINSTON	TRUST	0731691795
MOLULI VIOLET -P.	7101130851081	1	11	BURLINGTON	TRUST	0767689203
Kisbing 1 Hicett Arnois	8111175699085			Burlington	Trust	0726694846
BILGFUGUE BUSISINE	8609231061686			Burlington	Trust	0846403976
Kelugi Iruici	7469035680086			Burlington	Trust	
childrene notthald	780607364081			Burlington	Trast	0733076 324
Zueque Frene	680100916084			Bundugton	Trust	

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BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT : Biofuel and four unit presentation DATE : 18/03/2005 VENUE : Builington White Ct

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Khensoni Ngola	078036060S /	0780360605			
Julias Hadaykul	a a				
Sindile naoteni	Y XU	0738436672			
Salfingh ndaukul	9	0721999610			
precious nepheni	2	0148729214			
mikios ykabani		0737179429			
Lingh ndaukulg	\checkmark	0835137146	1.00		
prancinghangig	11	0720227686			
LHLY Gumede		072413171			
Jerry maphos		0737012325			
Dineo mahiake	4	0718603400			
Judith making la	dy J	0735622532			
Mevis nazukyk	200	0723417872			
AILingh moeng					

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Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

NAME	INCITIUTION	TEL NO	FAX NO.	CELL NO.	EMAIL ADDRESS
NAME	INSTITUTION	TEL. NO.	FAX NO.		EMAIL ADDRESS
Synnia maile	C			073 6321 308	
Kune Jetuque				073595779	
Betty maknuk				083 20 64 977	
Gibry manzin					
Daing Stoupre				082621993	
Storajue mare			3	082 640 1382	
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BUSHBUC	Tel no :(013) 799 1851	Fax no :(013) 799 1865	

Private Bag X9308 Bushbuckridge 1280

ATTENDANCE REGISTER

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Tel no :(013) 799 1851

Fax no :(013) 799 1865

Private Bag X9308 Bushbuckridge 1280

ATTENDANCE REGISTER

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NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
FSTER THERO				Whe feature	
PULADE NTHALL				076 6226 SPS	
Area te MNLULU	10			073 3372333	
Marnas Chibem	20			CASCON AND	
BAE MILCANII	Y			HUEZZUL ELO	
Aenel Macheni	59			28 CLIS CUD	
Intimer Hallow	7		×	073 639087U	
Ric Siburyi				UN3 2358734	
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Nie one Metholalla	2				

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Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

UBJECT	. Bio	fueur ano	1 terrix "	mit preser	tation	
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ATE	180	JARCH 2009				
ENUE	: Parti	ST TRIBAL A	(THORIT)	Burling to		
AME		INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
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BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

DATE :					
VENUE :	10103109 Burlington				
NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Nomia matu					076 6335690
Marka Mizim	be				~
Pretty Chillo	ane (02 1428 698
Maareth Chur	ane				0791463534
Padari Machi	oser				083 5035898
peturia Melo	beni				CB3 8188616
poloso Maba	ne U		19 - A.		074 744997-1
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Inocertia Silau	4)				
ELDAL MULA	(9)				-
Julia Mokoe	ene N				0713855027
GLENY WOU	lei II				-
Tebogo Mag					0712602788

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Tel no :(013) 799 1851

Fax no :(013) 799 1865

Private Bag X9308 Bushbuckridge 1280

ATTENDANCE REGISTER

SUBJECT	R	Biopuel an	I and tenix unit	unit prese.	tation	presentation
DATE VENUE	1815	letos/ 09 Bounton				
NAME		INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Anna Ma	Magnile					ł
Meliciere	Sidunde					OT& 3336263
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NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Anna Magnile					1
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Lirieten Merkhubele	le, l				672 SI80197
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Maxen Methodiana					1
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BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851 Fax no :(013) 799 1865 PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

ATTENDANCE REGISTER

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
ostance Meagule					0724490818
Marcia Unicoan					076 3253364
unie Childene					576 310134a4
irania malumaha					013 4504833
Eva monque	()				
godness Maugne	15				~
Laster Makyube					-
elore Maddeni	t t				019 9297351
lean mehole	7				073 0753559
ulei Mhubaka					-
ellivia Drakuan	A				679 6846888
Luces Khozer					5781790621
Jeneth Methie					1. [Ubal
peter Mathie					

BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851 Fax no :(013) 799 1865 PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

ATTENDANCE REGISTER

rency molimo	COLE HODOND		EMAIL ADDRESS
and he had	0765492243		
ono trathebyla	0738908865		
nny malypi	0732841906		
LFERS Sibyup	0732855217		
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Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT	biofuel and ferrix unit presentation
DATE VENUE	- 10- 103 109

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Sereh rithma	ne T				4
Shonailemyle	ale				0734705118
Eunice Mawe	nya /N				07304060621
lottence thisi	3				000000011703
aladul mke	ansi Lim				0726912899
Rembi brow	00				076 7675333
Judidy Methe			2		073 8422722
Auphelia Mati	ie E				072 1398781
Busisive Metho	ebuler				0792420280
San Mothebu	de ol				-
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Fostine Mikan					1952555 200
Ishmap Thate	ane OO				0787367462
Julia Malum	are				638 7602788

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Gnest Mashigo golden Mogopane 17

079 073 1234 074 8842421

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BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851 Fax no :(013) 799 1865

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PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

ATTENDANCE REGISTER

SUBJECT :	biofuel a	nd terri	x unit	presentation	
			Annon Tom Triden	. Colombian and a colombia and a colombia and a	
DATE : VENUE :	E 103109 Burling ton				
NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
terpoines balo	en				079 492131
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PERAN NZLAM					-
Kinlemariso me	thebuler 10				073 7716181
-1224 Mertuel	buter (-				-
Phulani Male			5		02 4151728
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Osie thethe	1				-
Linets KLOG	a A				084 3059129
Sotrude Marine					012 58944957
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Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT :b	opiel an	d tenix u	nit pro	sentation	
DATE :	18131200 Swilingto-	2 			
NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Eniga chosa					
Ayingon making	b				
Emelina mas g		076291159			
Annes intraine	1. St. 1.	0823895900			
Tudin margue		0835248109			
Virgine mare					
Toyce notry mis		082 643 1000			
hummy notice		072 672 5063			
sering Gibman	1				
Jane muare					
Pinky childare					
Sindius molear	2	074 8910501			
Sekr-1 Relepe					
Mureiculumba	-				
Flora Malatie	1,	0768304869			J

Flore Maladie 0768304869 Naralie Sedle 0796348402 Mánia Mpangana 0723859504

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Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

SUBJECT	<u> </u>	uel =		in uni	presentatio	77
DATE VENUE	18-03- Burting	2009 110 7				
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NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Magneth Malore				0762696726	(
Veta Gymede				~	
Doris Gumed	e .			0715015312	
Sibonglie Chiller				0720789787	
Mathebula Akateka				0730223429	
Ephraim Gumade	-			-	
Selma Gumede				0783172802	
LIZZY Dibakoarte	× ×			0785058585	5
Kone Mhangwan	a			0797595030	
Mathebula Tsakan				0763633388	
TKIR Maphosa	C.			0799569013	
1224 Matsie	02			0720112863	
Eric Khosa	L			-	
Francing Mathebul	2			0784632778	
Bethy Hlatshu Petinia Biballi Righ Mahla	one	082 666 50 082 666 50 083 95694 072 036 01	60 -00		

19 Ruth Mohala Busy Mhane



BUSHBUCKRIDGE LOCAL MUNICIPALITY

Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Sharidter Cuma				0731472190	
SILOrgille mark	R			083 800 725	-
Melising Gund	· P	2		073 4306150	
Silence maile	2 I I				
Rom) muloni	2				
gerling h second		073 5801 522			
uztie chanke	é.		225	0199812156	
torah milles!	N			OTD3653797	
Elomena Mollow				0783855087	
riman nullow	d			0833551135	
pleasure childe	n			0824895248	
Ang kuose	00				
Olcen mathis	19				
meiggie Symet	1			0729888081	



Tel no :(013) 799 1851

PRIVATE BAG X9308 BUSHBUCKRIDGE 1280

Fax no :(013) 799 1865

ATTENDANCE REGISTER

DATE :	18/2/7 - 09			••••••	
NAME	INSTITUTION	TEL. NO.	FAX NO.	CELL NO.	EMAIL ADDRESS
Atria Serela		0793165 300			
billy Micomase		0737929870	4		
sale Nyahi	J.	079975 3767			
illian Mohladee	\sim	0731269331			
oustance Ngobei	2	012921572			
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vehn Lusisi	//	082 2675225			
jeki Theko		076 649 2159			
are Molluli	~	072 6771561			
way Siburi	5	07201195091			
ing Matartic		073 036 5532			
walith Selegtang		0782560120			
Voisi Masheges		072 0789 787			
Lagelline Child	Bane	0820473574			
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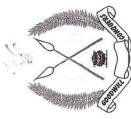
BUSHBUCKRIDGE LOCAL MUNICIPALITY

Regional Office Littlight

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FULL NAME	IDENTITY NUMBER	STAND	ADDRESS	CONTACT NO.
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Regional Office & TELIDALE Village HUNTING TON

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Regional Office AJ11/14LE Village Hun Tin/9702 BUSHBUCKRIDGE LOCAL MUNICIPALITY N. S. 0 Kan to the second secon Son

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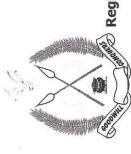
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ANNEXURE 15: CIRCLE GARDENS 12.15.

Circle Gardens: a discovery par excellence!

by Pat Featherstone

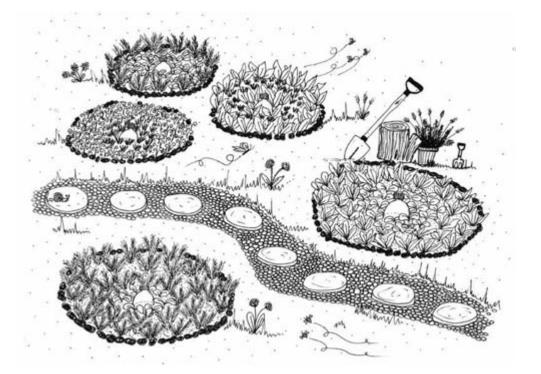
FILED IN: Green Gardening · Issue 15 · Soil For Life

Save water and increase production with a new way of gardening. I first read about 'ecocircles' ('circles of cultivation') in a *Land* magazine dating back to 1998. The article was written by Anthony Trowbridge of Applied Natural Sciences at Technikon SA.

In a recent telephone conversation with him he enthusiastically endorsed this way of growing as a means not only to save on labour, but also to provide a unique and simple way of growing large amounts of food in small spaces using very little water.

Not only can the method be effectively used by the home gardener, but it can also be used on a commercial scale, where its low-tech requirements reduce capital costs.

Professor Donald Langham, working in Venezuela, developed the idea of planting in circles instead of growing in straight lines in angular beds as a means of overcoming the difficulties faced by South American farmers; the same difficulties experienced in this country with an ever-increasing prospect of drought and, in some regions, floods, and the loss of precious topsoil.



It affords the home-gardener an opportunity to create interesting garden designs with circular veggie patches arranged along pathways, interspersed with herbs and flowers which serve the multiple purposes of attracting beneficial animal life, providing colour and diversity, acting as companion plants to the vegetable crops, stimulating their growth, acting as natural pest deterrents and creating a feeling of abundance.

There are many benefits of growing in this way:

• You can grow lots of food in small spaces. Each circle has a diameter of one metre (or one spade).

In our Resource Centre garden we have been in awe of how much food comes out of one circle. For example, we harvested 3 bunches of spring onions, a bunch of beetroot, 4 lettuces and a whole stack of beans. Total sale value - R60!

Out of another circle - five massive cabbages, interplanted with faster growing radishes and spring onions. We have planted tomatoes, spinach, radishes, lettuces - all sorts of combinations - together, and all have given incredible yields. Nobody could believe the size of our Swiss Chard leaves! Try it for an instant mood lifter.

• Raised beds give an increased depth for establishing healthy root systems.

• There is a saving of up to 70% in water usage. Compost (or other organic material) added to the soil as the bed is constructed creates a sponge which retains the water. Mulching prevents evaporation, and the method of irrigating ensures that minimum water is used.

• 'Ecocircles' build soil fertility and help to prevent the unnecessary loss of soil to the erosive forces of wind and rain.

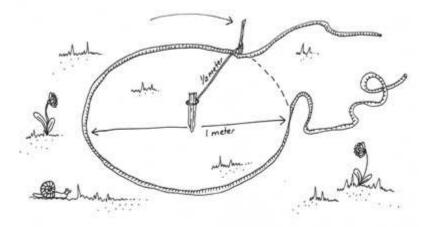
• The basin shape of the completed bed funnels water into the centre where it sinks into the soil; it doesn't run off, carrying precious topsoil with it. In other words, the bed acts as a mini-water- harvester.

• Deep watering encourages good root growth. A strong, well-developed root system will ensure a healthy plant.

• Because it is such simple technology, it costs nothing to implement. Very important in this day and age of prohibitive costs.

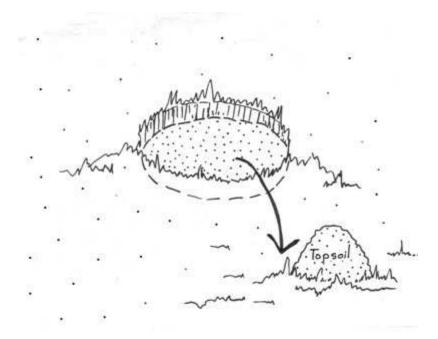
• It requires almost nil land preparation. You don't even need to weed before you start. This means less work for those of us who are not up to wielding a spade.

If you're ready to give it a go, this is how you go about creating your first ecocircle:

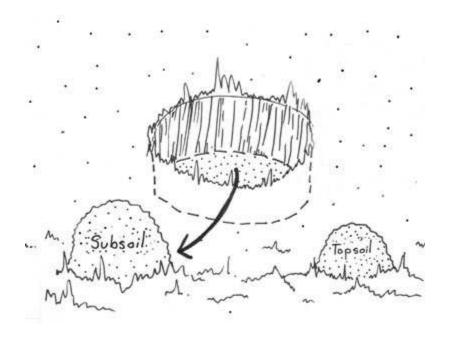


Mark out a circle (1 metre in diameter) on the ground using two sticks and a piece of string. Alternatively, if you are the secret possessor of a hoola hoop, that will suffice to mark out the circle.

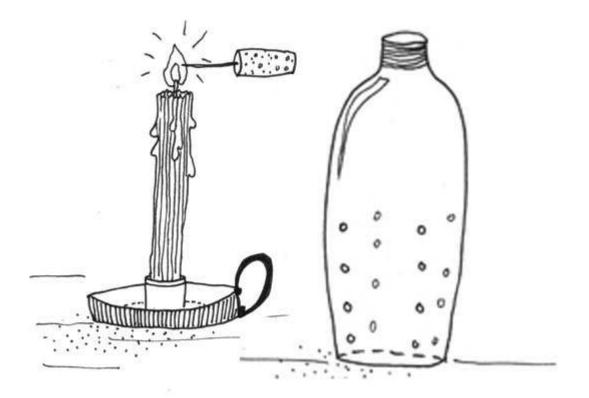
Remove the first 20 - 30 cm of topsoil and place in a neat pile next to the circle.



Remove 20 to 30 cm of subsoil and place it in a separate pile next to the circle. The depth of the hole should be 50cm (knee deep).

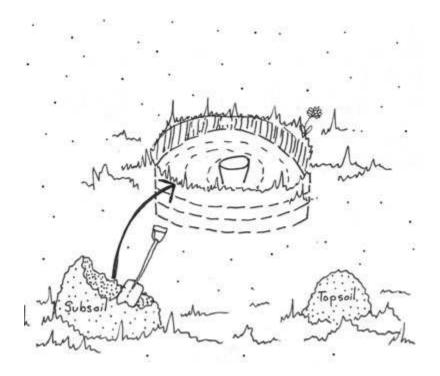


Using a candle and a needle (stick it in a cork to prevent burning your fingers) burn 16 holes in the side of a 2 litre plastic bottle which has a lid. The holes should be arranged in 4 vertical rows as shown above.



Place the bottle at the bottom of the hole, in the centre of the circle. Add a 2 cm layer (one finger) of compost (or well-rotted kraal manure, kitchen waste or dry grass) in the

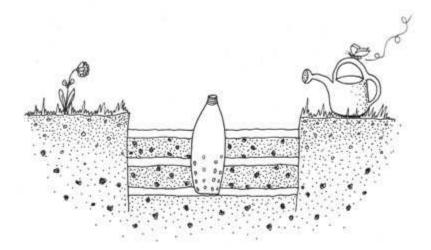
base of the hole and cover this with an 8 cm layer (four fingers) of subsoil. Water these two layers well.



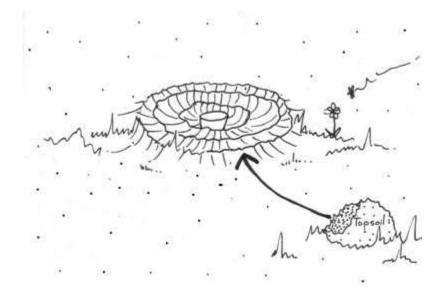
Continue replacing the subsoil, layering it with compost (or the other materials mentioned above) and watering each layer as you go until all the subsoil has been replaced.

By adding organic matter and watering each level in turn a sponge effect is created which will retain water below the surface so that plant roots are encouraged to grow downwards, giving them greater strength. Surface watering tends to make plant roots stay near the surface.

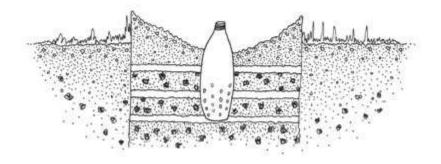
The sponge effect is maintained by the burying of the bottle (or alternatively a tin can with holes in the bottom) into which water can be poured so that all the plants in the ecocircle can be reached with one watering session.



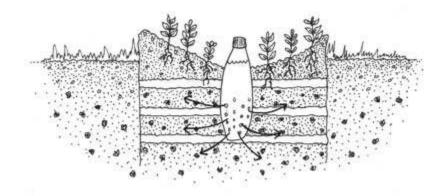
Having added all the subsoil, replace the topsoil. The surface of the bed will be higher than the surrounding ground. This creates a raised circular bed.



Scoop the soil from the centre of the circle to the outside to create a basin with the top of the bottle in the centre.



Mulch the surface of the basin and plant seeds or seedlings on the inside of the ridge, in circles. It is extremely important to keep the beds well mulched as this prevents water loss by evaporation. One bed can accommodate 10 lettuces or 5 to 8 cabbages, or 4 rows of beans or a variety of different crops.



To look after your 'ecocircle' there are a few things you need to remember:

• Fill the bottle with water (it is only necessary to do this once a week if the bed is well mulched. This means that you are using only 2 litres of water per bed per week. Tighten the cap and then loosen a little but so that no vacuum is created once the water drips out into the soil.

• In areas of high rainfall, the surface of the bed should be flat to prevent water-logging. In dry areas the basin shape promotes the sinking of water.

• Records on planting and crop rotation can be kept easily and accurately to ensure good soil, and therefore, good plant health.

• Very young seedlings planted in the centre of the circle are protected from wind.

Let us know how you get on with this exciting way of growing. Share your ideas on creating an interesting garden design with these circular beds.

In the next edition of *Biophile* we are starting a series on trees. Wangari Maathai's work in Kenya - her passion for returning the devastated landscape of her country to its former glory - is inspirational to say the least.

Thom Hartman, in his thought-provoking, life-changing book, *The Last Hours of Ancient Sunlight*, speaks of the death of the trees and the consequences to planetary health and well-being.

I quote - 'They are the lungs of the planet.' Yet, 'forests are imperiled worldwide.'

There is always hope. Start planting trees. Create your own forest - your own lungs, and food, shade, security, dust traps, wind breaks, habitats and much more. Invite life back into your landscape.

It's easy to plant a tree. Modify your 'eco-circle' a little. Make a square hole - 1 metre x 1 metre x $\frac{1}{2}$ metre (1 metre, if you're up to it) deep. Fill it in exactly the same way, burying a $\frac{1}{2}$ metre length of plastic piping instead of the bottle (although a bottle will do).

Create a basin and plant the tree of your choice. Remember, before planting a tree, make sure that you know what size it will be when it's mature so that you can chose the right position. Nurture it, remembering that it will support you in the most unexpected ways. What goes round, comes round.

Go on.

Do it today.

Plan where to put your first. Prepare the hole. Purchase the tree, remembering that each tree should fulfill more than one task in your garden; a multi-purpose plant. Get reading. Go planting. It's the right thing to do.

Soil for Life is a Cape Town-based NGO which teaches people to grow their own food. For more information about Soil for Life membership, and organic methods for growing vegetables, herbs and fruit, please phone Pat on (021) 794 4982

Soil for Life runs monthly workshops in Cape Town on all aspects of organic gardening. Book early to avoid disappointment!

SIMILAR ARTICLES

- <u>Starting a vegetable garden</u> Statistics published in recent editions of community newspapers make the mind balk at the incredible volumes of waste generated by Capetonians enough, it was...
- <u>Sheet Mulch Gardening: build your soil the 'no work' way</u> Sheet mulching (or composting) is the simplest, and least labour intensive, method of building the fertility of most soil types and affords the gardener an...
- <u>Water-wise gardening tips</u> Because gardens are often so water-intensive, it is important to look at the principles of water-wise gardening. Water-wise gardens are also lower maintenance than normal...

5 Comments <u>»</u>

1. HI there

I am a grade 11 student at Carleton High in Carletonville, I have used some of the information of your issue 15 and it has had a great impact (I hope long term) on all the people who read my presentation.

Thank You very much Natasha Aoun

Comment by Natasha

2. That's fantastic, Natasha — thanks for sharing with us.

Comment by <u>Steve</u>

3. Biocircles.

I have been growing vegetables in biocircles since 1998 first in Moorreesburg in the Western Cape and then in Walkerville in Gauteng. Mr Anthony Throwbridge gave me some very competent assistance at the time and my unit was very much based on the research done by Dr. Langham in Venezuela.

An article which I wrote on the system was published in the Gauteng Smallholder Magazine way back in 2002 and I am surprised that you have not come across any of my writings on the topic.

I acquired a Bsc in Agriculture at the University of Copenhagen and worked for several years at Zebediela Estates who hired me from overseas as I was fortnate enough to be able to speak Afrikaans, which I learnt in Kenyi in the late 40's and early 50's.

Your description of the system is good but I based my research on biocircles that were exactly 1 square meter which meant that my biocircles had a diameter of 1.2 meters. I think your illustrations are very good - could I perhaps use them for my article?

I will gladly e-mail you a copy of my article.

Kind Regards, Anders Reginald Arkner.

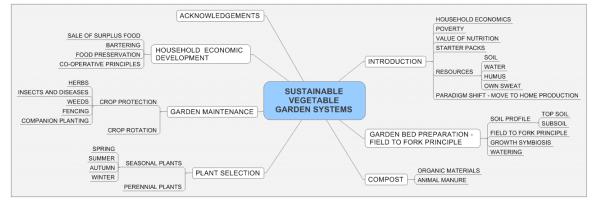
Comment by Reginald Arkner

4. @Reginald: Thank you for sharing. You're most welcome to use the illustrations for your article. If you require high-res versions, it might be best if you contact Pat Featherstone (pat@soilforlife.co.za) as it is her talented daughter who illustrates all the Soil For Life articles.

Comment by admin

12.16. ANNEXURE 16: OUTLINE: SUSTAINABLE HOME GARDENS

SUSTAINABLE VEGETABLE GARDEN SYSTEMS



21 INTRODUCTION

21.1 HOUSEHOLD ECONOMICS

21.2 POVERTY

21.3 VALUE OF NUTRITION

21.4 STARTER PACKS

21.5 RESOURCES

21.5.1 SOIL

21.5.2 WATER

21.5.3 HUMUS

21.5.4 OWN SWEAT

21.6 PARADIGM SHIFT - MOVE TO HOME PRODUCTION

22 GARDEN BED PREPARATION - FIELD TO FORK PRINCIPLE

22.1 SOIL PROFILE

22.1.1 TOP SOIL

22.1.2 SUBSOIL

22.2 FIELD TO FORK PRINCIPLE

22.3 GROWTH SYMBIOSIS

22.4 WATERING

23 COMPOST

23.1 ORGANIC MATERIALS

23.2 ANIMAL MANURE

24 PLANT SELECTION

- 24.1 SEASONAL PLANTS
- 24.1.1 SPRING
- 24.1.2 SUMMER
- 24.1.3 AUTUMN
- **24.1.4 WINTER**
- 24.2 PERENNIAL PLANTS

25 GARDEN MAINTENANCE

- **25.1 CROP PROTECTION**
- 25.1.1 HERBS
- **25.1.2 INSECTS AND DISEASES**
- 25.1.3 WEEDS
- 25.1.4 FENCING
- **25.1.5 COMPANION PLANTING**
- **25.2 CROP ROTATION**

26 HOUSEHOLD ECONOMIC DEVELOPMENT

- 26.1 SALE OF SURPLUS FOOD
- 26.2 BARTERING
- 26.3 FOOD PRESERVATION
- 26.4 CO-OPERATIVE PRINCIPLES
- **27 ACKNOWLEDGEMENTS**