GENERAL MANAGEMENT ASSISTANCE CONTRACT (GMAC)
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GEAR Agricultural Privatization Project Mid term Evaluation Report

Prepared by

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Abstract

The GEAR Agricultural Privatization Project ("GAPP") is being evaluated on its progress since May 2000 towards meeting certain objectives, targets, and indicators. Recommendations are made as to whether each of these should be continued, modified, or deleted. Overall management of the project, possible project improvements, technical assistance and expertise, specific objectives, problems/stumbling blocks, overall impact of privatizations, and GAPP effectiveness are discussed. Recommendations are made as to overall project modifications.

Executive Summary
of
GEAR Agricultural Privatization Project Mid term Evaluation Report

The GEAR Agricultural Privatization Project ("GAPP") is being evaluated on its progress since May 2000 towards meeting certain objectives, targets, and indicators. Recommendations are made as to whether each of these should be continued, modified, or deleted. Overall management of the project, possible project improvements, technical assistance and expertise, specific objectives, problems/stumbling blocks, overall impact of privatizations, and GAPP effectiveness are discussed. Recommendations are made as to overall project modifications.

Evaluation Methodology
The evaluation methodology for this report consisted of:
- Interviewing/visiting selected projects
- Interviewing/visiting selected rejected projects
- Interviewing project personnel
- Interviewing SA government officials
- Interviewing USAID officials
- Reviewing original contract and subsequent modifications
- Reviewing quarterly reports

A table presenting data relating to the GAPP objectives, performance targets, and indicators was prepared. The table is attached as Appendix 5.

Program Description/History/Background
GAPP is a modification of Contract PCE-I-00-97-00016-00 Delivery order no. 800, Black Private Enterprise Project, which began on October 1, 1997. The original purpose of this contract was to assist bidders participating in transactions involving the restructuring or transfer of state-owned assets to the historically disadvantaged population of South Africa. This was one of several contracts starting at that time, all of which focused on assistance to historically disadvantaged entrepreneurs, with the purpose of developing a stronger base of middle market companies in South Africa, and increasing the size of the historically disadvantaged middle class. In May 2000, the Contract was modified to restrict assistance to the transfer of state-owned agricultural assets.

What Has Worked and Why
GAPP has been effective as a means of achieving and promoting equity and employment through the divestiture of state-owned agricultural assets: over $55 million worth of assets have been transferred from state ownership to historically disadvantaged farmers, and over 10,000 jobs have been created or sustained , a result with a significant positive impact on the beneficiaries. The longevity of the project and of project personnel, and the relationships established by project personnel with provincial government officials and bidding groups have been key to this success. Both the bidding groups and provincial government are extremely conservative and inexperienced in these processes and these constraints are only overcome through tenacity, persistence, and repetition.

What has not Worked and Why
Restrictions imposed on the project by USAID, such as assisting with the transfer of state-owned agricultural assets only, only working in specified provinces, and focusing on a limited number of financing sources, have resulted project performance which, while satisfactory, is lower than might otherwise have been achieved with the same USAID resources. Because of the conservatism and inexperience of the bidders, government, and financing sources, transactions are very difficult to bring to a conclusion, hence GAPP must be able to take advantage of opportunities where ever they may arise.

Opportunities

There is an opportunity to increase project success by allowing GAPP to focus on the transfer of agricultural assets from any source, not just government, to previously disadvantaged beneficiaries. The restriction to privatizations by a government entity limits success due to the very slow implementation by government of the privatization process. There may well be private owners willing to transfer assets to these beneficiaries, but unable to do so due to both parties' lack of experience with the process.

Constraints

The main constraints faced by GAPP relate to a lack of experience by both government and bidding groups with the privatization process and with business in general. GAPP is able to overcome these constraints with bidding groups through careful selection, persistence, and education. It can also apply persistence and education to government, and assess which government individuals or entities will be most productive to work with at any given time. GAPP's success in meeting its objectives, targets, and indicators demonstrates that these constraints do not preclude it from being successful.

Lessons Learned

- transactions involving agricultural assets and government entities take years, not months, to conclude
- continuity of personnel is key to establishing and maintaining the trust necessary to conclude a transaction
- flexibility on geographic location of assets, owner of assets, structure of the transaction, and structure of financing produces the optimum level of successful transactions

Progress Against GAPP Objectives

Progress towards GAPP objectives is good. Of the 6 objectives, 5 can be assessed, of which 3 are being met fully. One of the 2 objectives not being met, the requirement to work only in 3 provinces, would in fact be a constraint on the achievement of other GAPP objectives if it were being met. It is recommended that, of the 6 objectives, 1 be continued as is, 1 be deleted, and 4 be modified.

- Objective 1 calls for GAPP to provide technical assistance to potential bidders for state-owned agricultural assets and agribusinesses and this has been achieved in 41 (100%) of the 41 reported GAPP transactions. **Recommendation**: This objective be continued. The project has demonstrated not only its ability to provide the required assistance in all transactions (indeed it is the basis on which project transactions are selected), but also that there are a sufficient number of such transactions for it to work on.
- Objective 2 calls for GAPP transactions to be located in the Eastern Cape, Northern Cape, and KwaZulu Natal. This objective is not being achieved as only 15 (37%) of the 41 reported projects are located in these areas. **Recommendation**: This objective be modified to allow GAPP to work in any South African province. Project personnel have found that a key factor in successful transactions is the willingness of provincial government to implement the privatization process, which is variable. Thus limiting GAPP to work in specific provinces reduces GAPP's ability to be effective.
- Objective 3 calls for post privatization support in business and management skills to be provided and this objective is being achieved as such support has been provided to 5 (24%) of the 21 GAPP transactions reported as closed. **Recommendation**: This objective be modified to require GAPP to co-ordinate the provision of post privatization assistance, but not provide the assistance itself. GAPP has limited resources and it would not be cost-effective to continue to provide Gauteng-based post-privatization assistance to transactions. Developing locally-based sources of such assistance is more sustainable. Given the bidders' lack of experience in business and management, post privatization assistance is a key factor in their continued success once their bid has been successful.
- Objective 4 calls for project personnel to have maintained contacts with the Land Bank and the IDC Agro-Industries unit and this is being achieved. **Recommendation**: although this

objective is being achieved, it is not clear that it adds anything to project delivery and could be deleted.

- Objective 5 calls for the creation of database of foreign investors (focus on American investors) in agricultural assets. This objective cannot be assessed as the database has not yet been finished (target completion date is June 2003). **Recommendation:** The database is likely to prove useful to GAPP and any successor projects, but only if it is maintained and updated on a regular basis. If it is developed and not updated any money spent on developing it will have been wasted.
- Objective 6 calls for the creation of a separate website for GAPP. This has not been achieved nor is one in progress. A section on another website (www.southafricaprivatization.com) has been developed and is available. This section lists current agribusinesses for sale, but does not yet include information on privatization, manuals on methods of privatization, papers and research on privatization in South Africa, or links to other privatization websites. The section has not been advertised and no brochure has been published. **Recommendation:** The website as described in the objective could be useful and will be a cost-effective way to source potential foreign investors in South African agricultural assets. However, no compelling case has been made for a separate website and it would be preferable to modify this objective to require only that a list of current agribusinesses for sale be available on an existing website, and that extensive links to the list be maintained.

Progress Against GAPP Indicators
(see also the table attached as Appendix 5)
The project has made good progress towards meeting these indicators. Significant progress has been made in assisting potential bidders to evaluate the costs and benefits of specific transactions, to develop strategies and options for the privatization of agricultural assets, to develop the bids using expertise in a range of areas, and in identifying strategic partners for the bidders. Less progress has been made in identifying potential investors in these transactions, in building linkages between small and large agribusinesses, and in providing post privatization assistance. Assistance has been provided mainly by the three key project personnel and legal assistance is outsourced to local firms.

The project's success in working with the bidders is due to: the understandable lack of bidders' expertise in privatization, the lack of such assistance available from other sources, and project personnel's ability to establish a relationship of trust with the bidders. This relationship of trust, which is a key component of the project's success, is a result of the longevity of the project and its key personnel, and the project's perceived independence of any South African government structures. Simply put, bidders believe that project personnel have their interests at heart.

The relatively small percentage of transactions for which potential investors and other linkages have been identified is due to the nature of the projects, many of which (irrigation schemes, silos) are not of interest to anyone except the local community. The transactions nevertheless have value in empowering local farmers. Progress towards each indicator is as follows:

- Indicator 1 calls for GAPP to evaluate and assess the costs and benefits of specific transactions and this has been achieved in 41 (100%) of the 41 GAPP transactions reported. **Recommendation**: continue.
- Indicator 2 calls for GAPP to assist in developing privatization strategies and options and this has been achieved in 40 (98%) of the 41 GAPP transactions reported. **Recommendation**: continue.
- Indicator 3 calls for GAPP to assist potential bidders from evaluation through development of bid strategies and supporting documentation and this has been achieved in 40 (98%) of the 41 GAPP transactions reported. **Recommendation**: continue.
- Indicator 4 calls for GAPP to provide expertise in business analysis, marketing, business development, financing, legal and regulatory issues, and/or structuring and this has been achieved in 41 (100%) of the 41 GAPP transactions reported. The objective also calls for

GAPP to provide post privatization assistance and this has been achieved in 5 (24%) of the 21 GAPP transactions reported as closed. **Recommendation**: continue.

- Indicator 5 calls for GAPP to identify strategic partners and this has been achieved in 26 (63%) of the 41 GAPP transactions reported. **Recommendation**: continue.
- Indicator 6 calls for GAPP to identify potential investors in these transactions and this has been achieved in 3 (7%) of the 41 GAPP transactions reported. **Recommendation**: continue.
- Indicator 7 calls for GAPP to help build linkages between small and large agribusinesses and this has been achieved in 5 (12%) of the 41 GAPP transactions reported. **Recommendation**: continue.
- Indicator 8 calls for GAPP to provide post privatization assistance in financial marketing management, marketing, and operations and this has been achieved in 5 (24%) of the 21 GAPP transactions reported as closed. **Recommendation**: continue.

Review overall management of the project

Overall management of the project is effective, in that the planned objectives and performance targets of the project are being met.

Strengths

Project strengths are:

- focus on beneficiaries
- perceived independence of advisors, i.e. no formal link to South African government
- use of local staff with existing contacts in South African agriculture.
- long term nature of the project: the agriculture market is conservative hence it can take a long time to win the confidence of potential clients.
- experience of personnel on the project

Weaknesses

A key project weakness is the inexperience and lack of familiarization with the details entailed in completing a transaction of both the bidding groups and some segments of the pubic sector.

Recommendations

Recommendations Requiring no Action

- report amount of time spent on each transaction to better estimate cost effectiveness of assistance.

Recommendations Requiring Administrative Action

- clarify in writing that the Statement of Work and the associated targets in Modification No. 3 supersede and replace the Statement of Work and targets contained in Contract PCE-I-00-97-00016-00 Delivery order No.800 and Modification Nos. 1 and 2 thereto.
- monthly reports continue to be submitted, with the form of the monthly report to be agreed between the GAPP Chief of Party and the USAID Senior Agribusiness and Agricultural Adviser and specified in writing.
- formalize expansion of GAPP scope to include the transfer of agricultural assets to historically disadvantaged beneficiaries other than through the privatization of state-owned assets.

Recommendations Requiring Policy Action

- the requirement that GAPP work only in Eastern Cape, Northern Cape, and KwaZulu Natal be modified to allow GAPP to work in any South African province.
- the requirement that GAPP provide post privatization assistance closed transactions be modified to require GAPP to co-ordinate the provision of post privatization assistance, but not provide the assistance itself.

- the definition of a "closed" transaction be a transaction in which one or more of the events listed has occurred: (1) creation of a shareholders' trust; (2) creation of a company to purchase the assets; (3) bidders beginning work on the land; (4) financing raised; (5) announcement by government of transfer of assets to bidders; or (6) transfer of legal title to the assets.
- the requirement to maintain contacts with the Land Bank and the IDC Agro-Industries unit be deleted since the objective should be to secure financing from any potential reputable source.
- the requirement to develop a website listing agribusiness for sale be modified to require that a list of current agribusinesses for sale be available on an existing website, and that extensive links to the list be maintained.
- consider more use of out-sourced local resources such as retired executives and other USAID/other donor supported projects to provide post privatization support to transactions.
- if feasible and requested, fund an expert on the financing of agricultural projects to sit in National Department of Agriculture.
- define employment to include jobs sustained as well as created.
- consider establishing links with other donor-funded projects (Agrilink II, SAIBL) or local resources (Local Business Service Centers, private service providers) which can provide training in business skills and entrepreneurship.
- eliminate the requirement for the investor database to be housed on the website. It should be developed and updated by GAPP, and then transferred to a private sector entity or a follow-on project to be continued.
- ensure that there is a mechanism for the database to be maintained once it is developed.

GEAR Agricultural Privatization Project Mid term Evaluation Report

The GEAR Agricultural Privatization Project ("GAPP") effectively began in May 2000 with Modification No. 3 to Contract PCE-I-00-97-00016-00 Delivery order No.800 dated September 1997.

- ***Note*** *that Modification No. 3 states that its intention is to "incorporate Agricultural Privatization activities into the Statement of Work" of the original contract. Project personnel understood this to mean that the Statement of Work of the original contract was replaced by the activities described in Modification No. 3, and proceeded accordingly. USAID has concurred in this assumption, implying that this was in fact the intent. If this is the case, it should be made clear in writing that the Statement of Work and the associated targets in Modification No. 3 supersede and replace the Statement of Work and targets contained in Contract PCE-I-00-97-00016-00 Delivery order No.800 and Modification Nos. 1 and 2 thereto, as the use of the term "incorporate" could be interpreted to mean "added to" rather than "supersede".*

This evaluation has been undertaken in accordance with the assumption that the intent was to replace the Statement of Work and targets contained in Contract PCE-I-00-97-00016-00 Delivery order No.800 and Modification Nos. 1 and 2 thereto with the Statement of Work and targets contained in Modification No. 3.

GAPP is a modification of Contract PCE-I-00-97-00016-00 Delivery order no. 800, Black Private Enterprise Project, which began on October 1, 1997. The original purpose of this contract was to assist bidders participating in transactions involving the restructuring or transfer of state-owned assets to the historically disadvantaged population of South Africa. This was one of several contracts starting at that time, all of which focused on assistance to historically disadvantaged entrepreneurs, with the purpose of developing a stronger base of middle market companies in South Africa, and increasing the size of the historically disadvantaged middle class. In May 2000, the Contract was modified to restrict assistance to the transfer of state-owned agricultural assets.

Evaluation Methodology
The evaluation methodology for this report consisted of:
- Interviewing/visiting selected projects
- Interviewing/visiting selected rejected projects
- Interviewing project personnel
- Interviewing SA government officials
- Interviewing USAID officials
- Reviewing original contract and subsequent modifications
- Reviewing quarterly reports

A list of individuals interviewed is attached as Appendix 1. A list of documents reviewed is attached as Appendix 2.

Two questionnaires were prepared for use in the interviews: one for use with successful and unsuccessful bidders and one for use with other interviewees. Bidders were interviewed to determine how useful they, as the intended beneficiaries of GAPP, found the project. Other interviewees were provincial government officials and service providers, interviewed to elicit their suggestions as to ways in which GAPP might be more effective. Copies of these questionnaires are attached as Appendix 3.

A table presenting data relating to the GAPP objectives, performance targets, indicators, and financing sources was prepared. The table is attached as Appendix 5.

Review progress against GAPP objectives
Progress towards GAPP objectives is good, with 3 of the 5 objectives which can be assessed being met. Progress towards 1 of the 6 objectives (the database) cannot be assessed. One of the 2 objectives not being met (the requirement to work only in 3 provinces), would in fact be a constraint on the achievement of other GAPP objectives if it were being met.

Progress towards each objective is as follows:

1. Objective 1 calls for GAPP to focus on Agricultural Privatization activities (Modification No 3 effective May 2000), specifically:
   - to provide technical assistance to potential bidders for state-owned agricultural assets and agribusinesses and
   - to emphasize assistance to individuals, employees and families employed currently on the agricultural assets being privatized.

   This objective has been achieved in all 41 reported GAPP transactions.

Recommendation: this objective be continued. The project has demonstrated not only its ability to provide the required assistance in all transactions (indeed it is the basis on which project transactions are selected), but also that there are a sufficient number of such transactions for it to work on.

2. Objective 2 calls for GAPP to focus on privatization of assets located in Eastern Cape, Northern Cape, KwaZulu Natal (Modification No 3 effective May 2000). This objective has not yet been achieved: only 37% of the 41 reported GAPP transactions have been located in the Eastern Cape, Northern Cape, and KwaZulu Natal
   - Eastern Cape – 12 (30%)
   - North West - 11 (27%)
   - Mpumalanga – 9 (22%)
   - Limpopo – 4 (10%)
   - KwaZulu Natal – 3 (7%)
   - Gauteng – 1 (2%)
   - Western Cape – 1 (2%)

Recommendation: this objective be modified to allow GAPP to work in any South African province. There is no compelling reason to limit the project to working in specific provinces. Project personnel have found that a key factor in successful transactions is the willingness of provincial government to implement the privatization process. This willingness can not be predicted in advance, and it varies over time from province to province. Thus limiting GAPP to work in specific provinces reduces GAPP's ability to be effective.

3. Objective 3 calls for GAPP to provide post as well as pre-privatization assistance to these transactions (Modification No 3 effective May 2000) and this has been achieved: post privatization assistance has been provided to 5 (24%) of the 21 GAPP transactions reported as closed. As the number of completed transactions increases GAPP may find that its resources are insufficient to provide assistance both to closed transactions and to on-going transactions. However, experience indicates that post privatization assistance is crucial to the future success of the privatized entity.

Recommendation: this objective be modified to require GAPP to co-ordinate the provision of post privatization assistance, but not provide the assistance itself. GAPP has limited resources and it would not be cost-effective to continue to provide Gauteng-based post-privatization assistance to transactions. Developing locally based sources of such assistance is more sustainable. Given the bidders' lack of experience in business and management, post privatization assistance is a key factor in their continued success once their bid has been successful. Identification of strategic partners is another way to address this issue; however in many cases the assets privatized are not attractive to an outside investor.

- ***Note** that a definitional issue has arisen as to when a transaction is closed. GAPP reports a transaction as closed when it has concluded its activity with the beneficiaries. Often the GAPP activity is concluded before the assets are privatized. A clear written definition of the term "closed transaction" should be agreed between GAPP and USAID. The suggestions for a definition of "closed" are based on the occurrence of specific events, listed below. A table* *applying these indicators to the reported transactions is attached in Appendix 5, and the number of transactions which would qualify as "closed" under these indicators is also given below:*

- *creation of a shareholders' trust – 34 (83%) of 41 reported transactions*
- *creation of a company to purchase the assets - 7 (17%) of 41 reported transactions*
- *bidders beginning work on the land - 31 (76%) of 41 reported transactions*
- *financing raised - 39 (95%) of 41 reported transactions*
- *announcement by government of transfer of assets to bidders - 10 (24%) of 41 reported transactions*
- *transfer of legal title to the assets - 3 (7%) of 41 reported transaction*

***Recommendation**: that the definition of a "closed" transaction be a transaction in which one or more of the events listed above has occurred.*

4. Objective 4 calls for GAPP to work closely with the Land Bank and IDC Agro-Industries (Modification No 4 effective June 2001). This objective has been achieved: project personnel have maintained contacts with the Land Bank and the IDC Agro-Industries unit.
   - the Land Bank has provided SLAG/LRAD grants to assist with the financing of 29 (71%) of the 41 reported transactions.
   - IDC Agro-Industries unit has not provided many leads or financing assistance.

Recommendation: this objective is being met; however it is not clear that it adds anything to project delivery and could be deleted.

5. Objective 5 calls for GAPP to develop a database of foreign investors (focus on American investors) in agricultural assets to be housed on a website (Modification No 5 effective June 2002). There is insufficient information to assess progress towards this objective, as the database of foreign investors (focus on American investors) in agricultural assets has not yet been finished (target completion date is June 2003).

Recommendation: The database is likely to prove useful to GAPP and any successor projects, but only if it is maintained and updated on a regular basis. If it is developed and not updated any money spent on developing it will have been wasted.

6. Objective 6 calls for GAPP to maintain, enhance, and update a website (Modification No 5 effective June 2002). This objective has not been achieved. A section on another website (www.southafricaprivatization.com) has been developed and is available. This section lists current agribusinesses for sale, but does not yet include information on privatization, manuals on methods of privatization, papers and research on privatization in South Africa, or links to other privatization websites. Nor does it yet include the database of potential investors. Indeed, it may never include this database, as for reasons of privacy protection, the permission of the investors must be secured before any information about them can be listed on the website. And finally the section has not been advertised and no brochure has been published.

Recommendation: The website as described in the objective could be useful and will be a cost-effective way to source potential foreign investors in South African agricultural assets. However, no compelling case has been made for a separate website and it would be preferable to modify this objective to require only that a list of current agribusinesses for sale be available on an existing website, and that extensive links to the list be maintained.

Review progress against GAPP performance targets

All GAPP performance targets are being met or exceeded. Progress towards each performance target is as follows:

1. Target 1 calls for GAPP to assist a minimum of 15 agricultural privatization transactions during 12 months, all involving HDIs (Modification No 3 effective May 2000). This target is being met:
   - from May 2000-May 2001 work on 20 (133%) GAPP transactions was reported
   - from June 2001-May 2002 work on 26 (173%) GAPP transactions was reported
   - from June 2002 to date work on 20 (133%) GAPP transactions was reported

Recommendation: continue this target.

2. Target 2 calls for GAPP to submit monthly reports (Modification No 3 effective May 2000). This target is being met: monthly reports have been submitted verbally.

- ***Note** that the form of submission of the monthly reports should be clarified, as there appears to be a miscommunication between the GAPP Chief of Party and the USAID Senior Agribusiness and Agricultural Adviser as to whether the reports should be verbal or written. If it is determined that verbal reports are sufficient, it would be advisable in any case that there be a memo in GAPP and USAID files confirming each month that a verbal report was submitted.*

Recommendation: continue this target.

3. Target 3 calls for GAPP to submit quarterly reports (Modification No 4 effective June 2001). This target is being met: written quarterly reports have been submitted since June 2001.

Recommendation: continue this target.

Review progress against GAPP indicators (see also the table attached as Appendix 5)
The project has made good progress towards meeting its indicators. Significant progress has been made in assisting potential bidders to evaluate the costs and benefits of specific transactions, to develop strategies and options for the privatization of agricultural assets, to develop the bids using expertise in a range of areas, and in identifying strategic partners for the bidders. Less progress has been made in identifying potential investors in these transactions, in building linkages between small and large agribusinesses, and in providing post privatization assistance. Assistance has been provided mainly by the three key project personnel, and legal assistance is outsourced to local firms.

The project's success in working with the bidders is due to: the understandable lack of bidders' expertise in privatization, the lack of such assistance available from other sources, and project personnel's ability to establish a relationship of trust with the bidders. This relationship of trust, which is a key component of the project's success, is a result of the longevity of the project and its key personnel, and the project's perceived independence of any South African government structures. Simply put, bidders believe that project personnel have their interests at heart.

The relative lack of success in identifying potential investors and building linkages is due to the nature of the projects, many of which (irrigation schemes, silos) are not of interest to anyone except the local community. The transactions nevertheless have value in empowering local farmers.

Progress towards each indicator is as follows:

1. Indicator 1 calls for GAPP to evaluate and assess costs and benefits of specific transactions (Modification No 3 effective May 2000). This indicator has been met in 41 (100%) of the 41 GAPP transactions reported.

Recommendation: continue this indicator.

2. Indicator 2 calls for GAPP to assist in developing privatization strategies and options (Modification No 3 effective May 2000). This indicator has been met in 40 (98%) of the 41 GAPP transactions reported.

Recommendation: continue this indicator.

3. Indicator 3 calls for GAPP to assist potential bidders from evaluation through development of bid strategies and supporting documentation (Modification No 3 effective May 2000.This indicator has been met in 40 (98%) of the 41 GAPP transactions reported.

Recommendation: continue this indicator.

4. Indicator 4 calls for GAPP to provide expertise in business analysis, marketing, business development, financing, legal and regulatory issues, structuring expertise, and post privatization assistance (Modification No 3 effective May 2000). This indicator has been met in:
   - business analysis - 41 (100%) of the 41 GAPP transactions reported
   - marketing - 37 (90%) of the 41 GAPP transactions reported
   - business development - 41 (100%) of the 41 GAPP transactions reported
   - financing - 41 (100%) of the 41 GAPP transactions reported

- legal and regulatory issues - 18 (44%) of the 41 GAPP transactions reported
- structuring expertise - 41 (100%) of the 41 GAPP transactions reported
- post privatization assistance - 5 (24%) of the 21 GAPP transactions reported as closed.

Recommendation: continue this indicator.

5. Indicator 5 calls for GAPP to identify strategic partners (Modification No 4 effective June 2001). This indicator has been met in 26 (63%) of the 41 GAPP transactions reported.

Recommendation: continue this indicator.

6. Indicator 6 calls for GAPP to identify potential investors (Modification No 4 effective June 2001).This indicator has been met in 3 (7%) of the 41 GAPP transactions reported.

Recommendation: continue this indicator.

7. Indicator 7 calls for GAPP to help build linkages between small and large agribusinesses to ensure knowledge-sharing (Modification No 4 effective June 2001). This indicator has been met in 5 (12%) of the 41 GAPP transactions reported.

Recommendation: continue this indicator.

8. Indicator 8 calls for GAPP to provide post privatization assistance focused on financial management, marketing, and operations (Modification No 4 effective June 2001). This indicator has been met in 5 (24%) of the 21 GAPP transactions reported as closed.

Recommendation: continue this indicator.

Review overall management of the project

Overall management of the project is effective, in that the planned objectives and performance targets of the project are being met.

Strengths

Project strengths are:

- focus on beneficiaries
- perceived independence of advisors, i.e. no formal link to South African government
- use of local staff with existing contacts in South African agriculture.
- long term nature of the project: the agriculture market is conservative hence it can take a long time to win the confidence of potential clients.
- longevity of personnel on the project
- contractor is part of a larger international entity which can assist with
  - agricultural expertise
  - sourcing potential investors/partners
  - checking out potential investors/partners
- ability to utilize existing local infrastructure of contractor
  - more cost effective to rent space and administrative services than to have to source them independently
  - can draw on local firm skills, especially in liquidations and accounting

Weaknesses

The primary program weakness is the lack of effective support for the objectives of the project at the national, provincial, and local levels of government. This lack of support is a combination of:

- lack of political will
- lack of capacity
- lack of administrative skills
- union opposition to privatization: although this is focused on manufacturing more than agriculture, it appears to affect government attitudes towards privatization at the national and provincial levels

Additional program weaknesses are:

- limited use of short term specialist skills
- limited resources for post privatization support

Review possible project improvements
Possible improvements in GAPP could focus on:

- expanding its ability to complete transactions by mobilizing more effective South African government support for the project. This should NOT involve a formal link between the GAPP and any government entity, nor should it be an objective of the project itself. Rather USAID should consider what other resources it has or could make available to improve national, provincial, and local government's will and ability to manage the process of privatization of agricultural assets more effectively.
- expand the scope to include all provinces
- co-ordinate with other donor activities in agriculture, particularly those with a focus on creating market linkages, such as Agrilink II, by encouraging the project to identify and work more closely with these activities.

Assess technical assistance and expertise provided

Technical assistance
Technical assistance in all areas of project effort was rated by the beneficiaries as:

- caliber – good
- quality – good
- timeliness - good

Expertise
Expertise provided was rated by the beneficiaries as:

- business analysis – good
- marketing – good
- business development – good
- financing – good
- legal and regulatory issues – good
- transaction structuring - good

Post privatization assistance to new owners was rated good by the recipients.

Expertise and assistance are rated as good, with limitations being seen as due to the environment (lack of government support) rather than GAPP. Post privatization assistance is necessarily limited by the small number of assets which have been privatized; however as this number grows GAPP could be constrained in its ability to provide such assistance. Copies of the CVs of key project personnel are attached as Appendix 6.

Review database and website

Database
No review of the database of potential foreign investors could be performed as it is not due to be completed until June 2003. In principle there is no reason to believe that it will not prove to be a useful tool for matching investors with agricultural privatization opportunities. A database of, say, medium to large-sized agri-processing companies could be sued to notify such companies of possible investment opportunities in pending privatizations.

Website
No website has been developed. A list of current agricultural transactions has been created and placed on an existing website. A web-based list of transactions can be a cost-effective way to attract outside investors, and it is therefore recommended that the list be maintained. No further website development should be undertaken. For privacy reasons the database of investors cannot be listed on a website without each investor's permission to use their name, therefore it is recommended that the database not be included on a website, but developed and maintained separately. It is key that such a database be maintained in the future, otherwise the funds spent

on developing it will be wasted. In principle there is no reason to believe such a database will not prove to be a useful tool for matching investors with agricultural privatization opportunities.

Consider problems/stumbling blocks faced by GAPP

Problems/stumbling blocks
The problems/stumbling blocks faced by GAPP primarily relate to government at all levels:
- government does not take decisions or actions in a timely manner
- there is a lack of government understanding of what privatization actually is
- government has been unwilling to adopt phased approach: say long term lease with option to buy; decisions tend to be all or nothing
- particularly at the provincial level there are questions about the government's commitment to the privatization of agricultural assets
- the preference to act only after a consensus is reached slows the process down
- tender awards are often made on political rather than economic grounds
- the privatization of agricultural land is an especially emotive issue, particularly when combined with a lack of understanding of privatization
- in some instances the assets being privatized cannot be operated commercially or as a stand alone business, for example if the land has no water rights
- government delays privatization but does not invest in the assets; when the assets are finally privatized the capital cost to the new owners is a burden
- government often is unwilling to privatize an asset until the entity has run out of money; however once it has run out of money they would rather shut it down than admit it has failed
- access to LRAD financing for the purchase of privatized agricultural assets is hampered by lack of knowledge or misinformation about this program among employees of the Land Bank, which is in charge of administering the LRAD program

Other problems/stumbling blocks faced by the GAPP relate to working with groups of beneficiaries:
- the internal politics of beneficiary groups slow the process down – the main reason cited by GAPP personnel as to why projects do not go forward is the beneficiaries' inability to form a functional unit
- related to the above is the need by bidding groups to reach consensus on what actions they wish to take also slows the process down
- the fact that the GAPP services are free can also mean that beneficiary groups do not take consultants seriously and waste their time, hence effort must be spent on qualifying such groups. Although an argument can be made that charging for project services might reduce this risk, as a practical matter this is not feasible. The bidders are usually unemployed farmers with no assets (and often no income), so they will not be able to pay; and financing is most often through LRAD grants, from which it would be difficult to take a fee. This stumbling block should not be taken as an indication that bidders do not value GAPP assistance. Bidders' appreciation of GAPP assistance is evidenced through their requests for post-privatization assistance and through their referrals of other transactions to GAPP.
- the beneficiaries' lack of education and lack of management experience
- the beneficiaries refuse to accept the need for privatization until government stops paying them, then there may not be enough time to form a bidding group before the assets are shut down
- the beneficiaries often have no understanding of communal responsibility

A key factor in the success of any beneficiary group is the existence of 1 or 2 strong leaders to drive the formation of the group, the bidding process, and the management of the assets. This role is often filled by an outside investor.

Actions taken by GAPP to overcome problems/stumbling blocks
The main actions taken by contractor to overcome the above problems/stumbling blocks are:

- careful selection of projects on which to work
- persistence in dealing with problems/stumbling blocks
- education of both the government and the beneficiaries

As the GAPP results indicate, the contractor actions taken to overcome problems/stumbling blocks are satisfactory. Most of the problems can only be solved over the very long term. In addition, all transactions move at their own pace, which is very difficult to change.

Assess overall impact of privatizations and other transactions

Impact of privatizations
The overall impact of the privatizations has been very positive. Successful privatizations have:
- enabled previously disadvantaged farmers to own their own land and farms
- assisted the South African government to deliver on its promise to privatize state-owned agricultural assets
- given local communities a stake in the "new" South Africa
- transferred assets valued at over $55 million to historically disadvantaged beneficiaries
- created 10,166 jobs

Project personnel also believe that the GAPP has had a positive influence on government privatization policy.

Impact of other transactions
The GAPP has had its mandate expanded to include the transfer of agricultural assets to historically disadvantaged beneficiaries other than through the privatization of state-owned assets. ***Note** I have not seen this in writing.* No such transactions have yet been worked on, hence their impact on historically disadvantaged beneficiaries and employment creation cannot be assessed.

Assess GAPP effectiveness
The GAPP is effective as a means of achieving and promoting equity and employment through the divestiture of state-owned agricultural assets. Over $55 million worth of assets have been transferred from state ownership to historically disadvantaged farmers, and over 10,000 jobs have been created.
- ***Note** that approximately $1.6 million has been allocated to GAPP. Based on the table of expected project results, this means:*
    - *$1.00 of project money will leverage $34.90 of assets privatized*
    - *each job created/sustained will be created/sustained at a cost of $115*

  This data should be compared to comparable data from other projects to determine the cost-effectiveness of GAPP.

Recommend modifications
Specific modifications to the strategy which might improve program results are:
- clarify the definition of "closed" transactions to mean the occurrence and documentation of one or more of the following events:
    - creation of a shareholders trust by the bidding group
    - creation of a purchasing company by the bidding group
    - commencement of work by the bidding group on the land to be privatized
    - financing raised by way of loan, provision of services, supplier credit, or other similar means
    - public announcement by the privatizing entity of the transfer of assets to the bidding group
    - legal transfer of title to the assets from the privatizing entity to the bidding group

- consider more use of out-sourced local resources such as retired executives and other USAID/other donor supported projects to provide post privatization support to transactions, by
  - using local business resources, such as the Chamber of Commerce, local NAFCOC or FABCOS chapters, or a Local Business Service Center, to source executives willing and able to work with the bidding group
  - requiring the GAPP personnel to contact other donor-funded projects with details of projects which require post-privatization support
- fund an expert on the financing of agricultural projects to sit in National Department of Agriculture
- definition of employment should include jobs sustained as well as created: if project waits until jobs are lost before assistance it costs more to re-start the farm
  - typically in a privatization jobs are initially lost as the enterprise moves to a commercial level of employment, then jobs are created over the next several years as the enterprise expands
  - privatization is intended to ensure sustainability of existing jobs rather than creation of new jobs
- consider either providing more training in business skills and entrepreneurship, or establishing links with other donor-funded projects or local resources which can provide such training
- report amount of time spent on each transaction to better estimate cost effectiveness of assistance
- formalize expansion of GAPP scope to include the transfer of agricultural assets to historically disadvantaged beneficiaries other than through the privatization of state-owned assets
- eliminate focus on relationships with Land Bank and IDC in favor of relationships with all possible financing sources
- expand GAPP to allow work in all provinces (this does not mean increase in activity, but an increase in the geographic scope within which existing activity can occur)
- eliminate the requirement for a stand-alone website and replace it with a requirement for a list of current agricultural transactions to be housed on an existing website
- eliminate the requirement for the investor database to be housed on the website
- ensure that there is a mechanism for the database to be maintained once it is developed

APPENDIX 1

Individuals and entities interviewed

1. Lisbon Estates
   - Robinson Nxumalo - Former employee/prospective owner - PO Box Klanor 1351 – tel 072-112-6311
   - Vicky Mashele - Former employee/prospective owner - PO Box Klanor 1351 – tel none

2. Frankfort Avocado Estates
   - Hudson Malebe – shareholder in Katope Frankfort Estates (Pty) Ltd – PO Box 3085, Acornhoek 1360 – tel 082-691-5770
   - Alvinia Makhubedu - shareholder in Katope Frankfort Estates (Pty) Ltd – PO Box 440, Levovo 1273 – tel 082-703-3342

3. Smith Tabata Attorneys – Jonathan Clark – attorney – PO Box 11146, Southernwood Docex 80, East London 5247 – tel 043-726-0894 (o), 082-809-1211 (cell) – fax 043-726-8015 – email: jonoc@smithtabata.co.za

4. Peddie Pineapples
   - Lulama Mtya – manager of Pineco – PO Box 14, Peddie 5640 – tel 082-977-2308 – fax 040-673-3771
   - Sizwe Skemfile – manager of Cornfields Farm – PO Box 14, Peddie 5640
   - Mpumelelo Nkamisa – manager of Tainton Farm – PO Box 14, Peddie 5640

5. Ncera Agricultural Development Corporation (Pty) Ltd – A. Stylianou – Chairman – PO Box 1, Kidds Beach 5264 – tel 043-781-1694 (o), 082-771-0113 (cell) – fax 043-781-1640 – email: nadc@mweb.co.za

6. Eastern Cape Department of Agriculture – Zukile Pityi – Chief Director, Agriculture and Rural Development – P/Bag 0040, Department of Agriculture, Bisho 5605 – tel 040-609-3474 – email: zuks@agrmduk.ecape.gov.za

7. Kat River Citrus
   - Eric Nohamba – farmer – PO Box 723, FB 5720 – tel 082-429-9153
   - Merricks Noqekwa – farmer – PO Box 961, Alice 5700 – tel 082-566-5229
   - Daniel Motsoane – procurement officer, Capespan – PO Box 12531, Centrahil 6006 – tel 083-326-9323
   - Sydney Mpahla – farmer – PO Box 1032, King Williams Town 5600 – tel 082-974-2514

8. Keiskammahoek Irrigation Scheme
   - Zola Manona – Agricultural Technician, Eastern Cape Department of Agriculture – PO Box 60, Keiskammahoek 5670 – tel 082-837-9327
   - Mountain Hoya – General Worker, Eastern Cape Department of Agriculture – PO Box 60, Keiskammahoek 5670 – tel 073-211-9253

9. Ryton Estates (Pty) Ltd – Bruce Andrews – manager – PO Box 89, Ngodwana 1209 – tel 013-734-4706 (o), 082-453-5941 (cell) – fax 013-734-4820

10. Inala Farming Company (Pty) Ltd – Piet de Wet – Chief Executive Officer – PO Box 1308, Malelane 1320 – tel 082-776-3654

11. Agricultural and Rural Development Corporation, Limpopo – Cornelis Erasmus – Senior Manager – PO Box 2608, Polokwane 0700 – tel 015-295-7090 (o), 083-626-5635 (cell) – email: mphahlelerv@agricho.norprov.gov.za

12. Deloitte Touche Tohmatsu

- Wendy Clements – Chief of Party, GEAR Agricultural Privatization Project – Private Bag X6, Gallo Manor 2052 – tel 011-806-5408 (o), 082-724-3400 (cell) – fax 011-806-5465 – email: wclements@deloitte.co.za
- Terry Heslop – Seniore Corporate Finance Adviser, GEAR Agricultural Privatization Project – Private Bag X6, Gallo Manor 2052 – tel 011-806-5408 (o), 082-330-9714 (cell) – fax 011-806-5465 –
- David Cooper – Agricultural Industry Expert, GEAR Agricultural Privatization Project – Private Bag X6, Gallo Manor 2052 – tel 011-806-5408 (o), 082-895-1967 (cell) – fax 011-806-5465 – email: davidcooper@worldonline.co.za

APPENDIX 2

Documents Reviewed

1. 1997 Contract PCE-I-00-97-00016-00 Delivery order No.800
2. Modification No 1 effective June 1998
3. Modification No 2 effective Oct 1999
4. Modification No 3 effective May 2000
5. Modification No 4 effective June 2001
6. Modification No 5 effective June 2002
7. Quarterly Reports

APPENDIX 3

Questionnaire for Projects

1. Technical assistance in all areas of project effort
    a. caliber
    b. quality
    c. timeliness
2. Expertise provided in
    a. business analysis
    b. marketing
    c. business development
    d. financing
    e. legal and regulatory issues
    f. transaction structuring
3. Post privatization assistance to new owners
4. If inadequate, what more could be done
5. Overall impact of privatizations
    a. impact on historically disadvantaged beneficiaries positive or negative
    b. impact on employment creation positive or negative
6. Recommend changes to project/strategy to improve program results
7. Any other comments

Questionnaire for Other Interviewees

1. Overall management of the project

    a. program strengths

    b. program weaknesses

2. Improvements in
    a. project management

    b. project direction

3. Consider
    a. problems faced by project

    b. stumbling blocks faced by project

    c. actions taken by contractor to overcome above
        1. satisfactory?

        2. could more be done?

4. Assess overall strategy of program as a means for achieving

    a. equity

    b. employment

    through divestiture of state-owned ag assets

5. Recommend changes to project/strategy to improve program results

APPENDIX 4

KATHERINE S. NAUGHTON
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New York, New York 10025
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(212) 866-5235 (h)
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SENIOR LEVEL INVESTMENT PROFESSIONAL with extensive experience in all aspects of direct investment in public and privately held companies. Outstanding analytical ability together with excellent communications skills and an extensive resource network have resulted in a proven track record as an effective problem solver.

experience

CAMBRIDGE CAPITAL New York, New York

1991 - Present

A private investment firm founded to acquire and/or provide corporate finance advice to small and medium sized businesses.

- Johannesburg, South Africa – 2001: corporate finance consultant specializing in accessing finance for SMEs; clients include: a venture capital firm raising its second fund and several SMEs seeking finance to expand their export sales.

- Johannesburg, South Africa – 1997/2001: started and led a USAID supported project to facilitate access to financing to small and medium-sized enterprises; activities include development of a database of financing sources, transaction analysis for several venture capital funds, management consulting and corporate finance advice to entrepreneurs. In 4 years the project raised over $35 million in capital for 42 companies.

- Harare, Zimbabwe - 1996: closed first acquisition of the Zimbabwe Progress Fund; provided organizational and finance advice to portfolio company management; assisted in raising capital for the Fund.

- Tallinn, Estonia - 1993/1995: provided technical assistance under a USAID funded contract to the Privatization Agency of the Republic of Estonia with respect to the privatization of state-owned businesses. Over 450 such businesses were sold through the end of 1995. Tasks included negotiating transactions from initial bid through final contract, providing corporate finance analysis and valuation of objects for sale, training local staff, and leading a team of 4 experienced consultants.

Other advisory assignments include:

- due diligence, structuring and document negotiation on behalf of a foreign acquirer of a $70 million manufacturer of special metals;

- business planning and financing training for women-owned start-up companies under a program administered by The American Women's Economic Development Corporation.

McCOWN DE LEEUW & CO. New York, New York

1986 - 1991

Initiated, analyzed, valued, structured, negotiated and closed direct investments for a U.S. investment fund. Provided management assistance and investment banking services to portfolio company managers. Wrote offering memorandum and marketed firm's second fund to outside investors.

Completed Transactions

- $34 million franchiser of retail pet stores and distributor of pet care products: initiated investment; negotiated terms on behalf of investor group for initial and two subsequent investments; prepared industry study; advised on terms and negotiated documents for acquisition which doubled sales; advised on restructuring; represented MDC at all Board meetings.

- $5 million manufacturer of custom office products: originated transaction; negotiated terms of purchase and financing; advised CEO on operational issues during difficult turnaround period; structured and negotiated two debt restructurings; director of the company.

- $24 million sawmill and secondary wood manufacturing operation: valued company and sold it for a price which resulted in a 118% return on MDC's investment: managed on behalf of investor group settlement of dispute on buyer holdbacks resulting in complete recovery.

CITIBANK, N.A. **New York, New York**
Assistant Vice President/Transaction Manager **1980 - 1986**
Corporate finance activities included mergers and acquisitions, swaps and trade finance.

- o Key role on team which completed Division's first leveraged buyout, valued at $60 million; negotiated portion of overseas financing.
- o Valued companies aggregating $2.5 billion in assets as valuations specialist for mergers and acquisitions unit.
- o Structured highly innovative bank equity stakeout/merger valued at $22 million; first such transaction approved by Federal Reserve Board.
- o Completed $200 million of currency swaps; marketed interest rate swaps.
- o Structured and completed Division's first gold lease, valued at $11 million.

LEHMAN BROTHERS LTD. **London, England**
Associate **1974 - 1978**
Responsibilities included general corporate finance and Eurobond syndications. Reported directly to Managing Partner of London office.

- o Structured and implemented call of $25 million Eurodollar convertible bond with highest conversion rate in market history.
- o Listed $700 million company on London Stock Exchange; marketed listings on major European and Asian stock exchanges to U.S. clients.
- o Developed investor relations program which increased clients from 1 to 23 firms in two years.
- o Featured contributor on international mergers and acquisitions for Euromoney magazine.

KLEINWORT, BENSON LTD. **London, England**
Securities Analyst **1972 - 1974**
Analyzed and made investment recommendations on stocks in various sectors of British stock market, including specialty steels, heavy industrials, shipping, office equipment and conglomerates.

education

Columbia University	MBA, Finance	(Dean's List)	1980
University of Cambridge	MLitt, History	(John Nichols Prize)	1973
Smith College	BA, History	(Dean's List)	1970

professional affiliations and associations

American Women's Economic Development Corporation 1991 - Present
Financial Women's Association 1988 - Present
Smith College Club of New York Board - Treasurer; Fund Raising Chairman 1982 - 1988
Northfield Mount Hermon Alumni Association - Steering Committee 1985 - 1986
Columbia University - MBA Management Consultants - President; Univ. Senator 1978 - 1980
University of Cambridge, Lucy Cavendish College - Student President 1971

APPENDIX 5

GEAR Agricultural Privatization Project
Data Table 1
Progress against objectives and targets

	Date Started	Date Closed	Est Close Date	Length	Assets Privatized	Privatizing Entity	Location of Assets	Entity Assisted	Dollar Value ($millions)	Jobs Created	Jobs Sustained	Total Sustainable Employment	Work with Land Bank	IDC
1	Oct-98		May-03	55	Lisbon Estates Farm	Limpopo Dept of Agriculture	Limpopo	Employees	1.03	200	800	1,000	X	
2	Jan-99	Feb-00		13	Peddie Pineapples	Eastern Cape Dept of Agriculture	Eastern Cape	Farmers	2.56	550	0	550		
3	Apr-99	May-00		13	Kat River Citrus Farms	Eastern Cape Dept of Agriculture	Eastern Cape	Farmers	2.30	200	0	200		
4	Apr-99	Jun-01		26	Zebedia Citrus Farm	Limpopo Dept of Agriculture	Limpopo	Employees	2.00	0	666	666	X	
5	Apr-99	Dec-00		20	Johannesburg Fresh Produce Market	Johannesburg City Council	Gauteng	Stakeholders	3.33	0	209	209		
6	May-00		May-03	36	Magwa Tea Estate	RSA Department of Land Affairs	Eastern Cape	Employees	3.80	0	200	200	X	
7	May-00	Jun-01		13	Ncora Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	3.70	2,300	200	2,500		
8	May-00	Jun-01		13	Qamata Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	1.50	800	200	1,000		
9	May-00	Jun-01		13	Hereford Farm	RSA Department of Land Affairs	Mpumalanga	Farmers	0.30	120	30	150		
10	Jun-00	Jul-01		13	Funda Milimi Training Farm	RSA Department of Land Affairs	Mpumalanga	Farmers, employees	0.30	40	0	40	X	
11	Jun-00	Jul-01		13	Kwa Ndebele Farms	RSA Department of Land Affairs	Mpumalanga	Farmers	3.90	560	140	700		
12	Jun-00	Jul-01		13	Swartkoppies Farm	RSA Department of Land Affairs	Mpumalanga	Farmers	0.44	0	50	50	X	
13	Jul-00	Aug-01		13	Schoemansdal Coffee Project	RSA Department of Land Affairs	Mpumalanga	Ngugwane Farmers	0.58	80	0	80		
14	Jul-00	Aug-01		13	Land	RSA Department of Land Affairs	Mpumalanga	Singleton Farmers	0.30	40	0	40		
15	Jul-00	Jul-01		12	Majola Tea Estate	RSA Department of Land Affairs	Eastern Cape	Employees	1.02	400	100	500	X	
16	Jul-00	Aug-01		12	Zanyokwe Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	0.02	75	0	75		
17	Jul-00	Aug-01		12	Keiskammahoek Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	0.05	75	0	75		
18	Jul-00	Jan-01		6	P.L. Ferreira Farms	RSA Department of Land Affairs	Eastern Cape	Employees	0.20	100	0	100	X	
19	Aug-00	Sep-01		13	Tsitsikamma Trust	RSA Department of Land Affairs	Eastern Cape	Farmers	0.38	40	10	50	X	
20	Aug-00	Sep-01		13	Riverside Farms	RSA Department of Land Affairs	Eastern Cape	Employees	1.00	56	14	70	X	
21	Sep-00	Jun-01		10	Port Shepstone Fresh Produce Market	Port Shepstone City Council	Kwa Zulu Natal	Stakeholders	0.00	0	0	0	X	
22	May-01		Jan-03	20	Agrichicks	North West Dept of Agriculture	North West	Employees	10.00	1,490	0	1,490	X	
23	Jun-01	Aug-01		3	Land	Dept of Water Affairs and Forestry	Limpopo	Community	3.70	928	0	928		
24	Jun-01	Oct-01		4	Mashashane Hatchery	Limpopo ARDC	Limpopo	Farmers	0.00	0	94	94	X	
25	Nov-01		Jun-03	19	Vryhof Silo	RSA Dept of Agriculture	North West	Farmers	0.00	0	0	0	X	
26	Nov-01		Jun-03	19	Kraaipan Silo	RSA Dept of Agriculture	North West	Farmers	0.75	8	292	300	X	
27	Nov-01		Jun-03	19	Springbokpan Silo	RSA Dept of Agriculture	North West	Farmers	0.00	0	0	0	X	
28	Nov-01		Jun-03	19	Mimosa Nest West Poultry Farm	North West Dept of Agriculture	North West	Employees	0.00	0	0	0	X	
29	Nov-01		Jun-03	19	Mimosa Nest East Poultry Farm	North West Dept of Agriculture	North West	Employees	0.25	8	12	20	X	
30	Nov-01		Jun-03	19	Dinokana Irrigation Scheme	North West Dept of Agriculture	North West	Farmers	0.15	23	7	30	X	
31	Nov-01		Jun-03	19	Molatedi Irrigation Scheme	North West Dept of Agriculture	North West	Farmers	0.00	0	40	40	X	
32	Mar-02		Mar-03	13	Frankfort Avocado Estate	SAFCOL	Mpumalanga	Employees	0.75	0	75	75	X	
33	May-02		Mar-03	10	Tsholofelo Citrus Estate	RSA Dept of Agriculture	North West	Employees	4.60	210	50	260	X	
34	May-02		Mar-03	10	Land	RSA Department of Land Affairs	Mpumalanga	Community	0.90	250	0	250	X	
35	May-02		Mar-03	10	Land	RSA Dept of Agriculture	North West	Community	0.90	250	0	250	X	
36	May-02		Mar-03	10	Land	Port Shepstone City Council	Kwa Zulu Natal	Farmers	0.65	100	0	100	X	
37	Sep-02		Sep-03	12	Cape Town Fresh Produce Market	Cape Town City Council	Western Cape	Employees	0.00	138	12	150	X	
38	Sep-02		Sep-03	12	Land	RSA Dept of Agriculture	North West	Employees	0.33	75	0	75	X	
39	Sep-02		Jun-03	10	Inala Farm	RSA Dept of Agriculture	Mpumalanga	Employees	1.61	0	330	330	X	
40	Sep-02		Sep-03	12	Malenge Irrigation Scheme	RSA Dept of Agriculture	Eastern Cape	Employees	0.25	250	0	250	X	
41	Sep-02		Sep-03	12	Majindi Farm Irrigation Scheme	Kwa Zulu Natal Dept of Agriculture	Kwa Zulu Natal	Employees	2.00	800	200	1,000	X	
								Total						
			avg mont	15					55.55	10,166	3,731	13,897	29	0
						Value for Money								
						June 2000-May 2001		275,000						
						June 2001-May2002		500,026						
						June 2002-May2003		816,715						
								1,591,741	$34.90 per $1 spent	$157 per job	$427 per job	$115 per job		

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GEAR Agricultural Privatization Project
Data Table 2
Progress against Indicators

	Date Started	Date Closed	Est Close Date	Length	Assets Privatized	Privatizing Entity	Location of Assets	Entity Assisted	Assistance Provided: Evaluate and Assess Costs/Benefits	Develop Privatization Strategies	Evaluation to Bid Strategies	Expertise Provided In: Business Analysis	Marketing	Business Development	Financing	Legal/ Regulatory Issues	Structuring	Post Privatization Assistance	Assistance Provided by	Strategic Partners Identified	Investors Identified	Linkages with Large Agribusinesses
1	Oct-98		May-03	55	Lisbon Estates Farm	Limpopo Dept of Agriculture	Limpopo	Employees	X	X	X	X	X	X	X	X	X	N/P	W Clements/T Heslop/J Jackson	X	X	
2	Jan-99	Feb-00		13	Peddie Pineapples	Eastern Cape Dept of Agriculture	Eastern Cape	Farmers	X	X	X	X	X	X	X	X	X	X	W Clements/D Cooper/J Jackson	X	X	X
3	Apr-99	May-00		13	Kat River Citrus Farms	Eastern Cape Dept of Agriculture	Eastern Cape	Farmers	X	X	X	X	X	X	X	X	X	N/P	W. Clements/D. Cooper	X		X
4	Apr-99	Jun-01		26	Zebedia Citrus Farm	Limpopo Dept of Agriculture	Limpopo	Employees	X	X	X	X		X	X		X	N/P	W Clements/T Heslop			
5	Apr-99	Dec-00		20	Johannesburg Fresh Produce Market	Johannesburg City Council	Gauteng	Stakeholders	X	X	X	X	X	X	X		X		W Clements/J Jackson			
6	May-00		May-03	36	Magwa Tea Estate	RSA Department of Land Affairs	Eastern Cape	Employees	X			X	X	X	X		X	X	W Clements/D Cooper/T Heslop	X		
7	May-00	Jun-01		13	Ncora Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	X	X	X	X	X	X	X		X	X	W. Clements/D Cooper/T Heslop	X		
8	May-00	Jun-01		13	Qamata Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	X	X	X	X	X	X	X		X	X	D Cooper/T Heslop	X		
9	May-00	Jun-01		13	Hereford Farm	RSA Department of Land Affairs	Mpumalanga	Farmers	X	X	X	X		X	X		X		D Cooper/T Heslop			
10	Jun-00	Jul-01		13	Funda Mlimi Training Farm	RSA Department of Land Affairs	Mpumalanga	Farmers, employees	X	X	X	X	X	X	X		X		D Cooper/T Heslop			
11	Jun-00	Jul-01		13	Kwa Ndebele Farms	RSA Department of Land Affairs	Mpumalanga	Farmers	X	X	X	X	X	X	X		X		D Cooper			
12	Jun-00	Jul-01		13	Swartkoppies Farm	RSA Department of Land Affairs	Mpumalanga	Farmers	X	X	X	X	X	X	X		X		D Cooper/T Heslop			
13	Jul-00	Aug-01		13	Schoemansdal Coffee Project	RSA Department of Land Affairs	Mpumalanga	Ngugwane Farmers	X	X	X	X	X	X	X		X		D Cooper			
14	Jul-00	Aug-01		13	Land	RSA Department of Land Affairs	Mpumalanga	Singleton Farmers	X	X	X	X	X	X	X		X		T. Heslop			
15	Jul-00	Jul-01		12	Majola Tea Estate	RSA Department of Land Affairs	Eastern Cape	Employees	X	X	X	X	X	X	X		X		D Cooper			
16	Jul-00	Aug-01		12	Zanyokwe Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	X	X	X	X	X	X	X		X		D Cooper/T. Heslop	X		
17	Jul-00	Aug-01		12	Keiskammahoek Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	X	X	X	X	X	X	X	X	X	N/A	D Cooper/T Heslop	X		X
18	Jul-00	Jan-01		6	P L Ferreira Farms	RSA Department of Land Affairs	Eastern Cape	Employees	X	X	X	X		X	X		X		W Clements/D Cooper	X		
19	Aug-00	Sep-01		13	Tsitsikamma Trust	RSA Department of Land Affairs	Eastern Cape	Farmers	X	X	X	X	X	X	X		X		D Cooper	X		X
20	Aug-00	Sep-01		13	Riverside Farms	RSA Department of Land Affairs	Eastern Cape	Employees	X	X	X	X	X	X	X		X		D Cooper	X		
21	Sep-00	Jun-01		10	Port Shepstone Fresh Produce Market	Port Shepstone City Council	Kwa Zulu Natal	Stakeholders	X	X	X	X	X	X	X		X		W. Clements			
22	May-01		Jan-03	20	Agrichicks	North West Dept of Agriculture	North West	Employees	X	X	X	X	X	X	X	X	X	N/P	W Clements/T. Heslop/J Jackson	X		
23	Jun-01	Aug-01		3	Land	Dept of Water Affairs and Forestry	Limpopo	Community	X	X	X	X	X	X	X		X		D Cooper			
24	Jun-01	Oct-01		4	Mashashane Hatchery	Limpopo ARDC	Limpopo	Farmers	X	X	X	X	X	X	X		X		W Clements/T Heslop	X		
25	Nov-01		Jun-03	19	Vryhof Silo	RSA Dept of Agriculture	North West	Farmers	X	X	X	X	X	X	X	X	X	N/P	W. Clements/T Heslop	X		
26	Nov-01		Jun-03	19	Kraaipan Silo	RSA Dept of Agriculture	North West	Farmers	X	X	X	X	X	X	X	X	X	N/P	W. Clements/T Heslop	X		
27	Nov-01		Jun-03	19	Springbokpan Silo	RSA Dept of Agriculture	North West	Farmers	X	X	X	X	X	X	X	X	X	N/P	W Clements/T. Heslop	X		
28	Nov-01		Jun-03	19	Mimosa Nest West Poultry Farm	North West Dept of Agriculture	North West	Employees	X	X	X	X	X	X	X	X	X	N/P	T. Heslop			
29	Nov-01		Jun-03	19	Mimosa Nest East Poultry Farm	North West Dept of Agriculture	North West	Employees	X	X	X	X	X	X	X	X	X	N/P	T Heslop	X		
30	Nov-01		Jun-03	19	Dinokana Irrigation Scheme	North West Dept of Agriculture	North West	Farmers	X	X	X	X	X	X	X		X	N/P	W Clements/T Heslop	X		
31	Nov-01		Jun-03	19	Molatedi Irrigation Scheme	North West Dept of Agriculture	North West	Farmers	X	X	X	X	X	X	X		X	N/P	T Heslop			
32	Mar-02		Mar-03	13	Frankfort Avocado Estate	SAFCOL	Mpumalanga	Employees	X	X	X	X		X	X		X	N/P	W Clements/T Heslop	X	X	X
33	May-02		Mar-03	10	Tsholofelo Citrus Estate	RSA Dept of Agriculture	North West	Employees	X	X	X	X	X	X	X		X	N/P	T Heslop	X		
34	May-02		Mar-03	10	Land	RSA Department of Land Affairs	Mpumalanga	Community	X	X	X	X	X	X	X	X	X	N/P	D. Cooper/T Heslop	X		
35	May-02		Mar-03	10	Land	RSA Dept of Agriculture	North West	Community	X	X	X	X	X	X	X	X	X	N/P	T Heslop	X		
36	May-02		Mar-03	10	Land	Port Shepstone City Council	Kwa Zulu Natal	Farmers	X	X	X	X	X	X	X	X	X	N/P	D Cooper/T Heslop	X		
37	Sep-02		Sep-03	12	Cape Town Fresh Produce Market	Cape Town City Council	Western Cape	Employees	X	X	X	X	X	X	X	X	X	N/P	T. Heslop/J Jackson			
38	Sep-02		Sep-03	12	Land	RSA Dept of Agriculture	North West	Employees	X	X	X	X	X	X	X	X	X	N/P	D Cooper/T Heslop			
39	Sep-02		Jun-03	10	Inala Farm	RSA Dept of Agriculture	Mpumalanga	Employees	X	X	X	X	X	X	X	X	X	X	D. Cooper	X		
40	Sep-02		Sep-03	12	Malenge Irrigation Scheme	RSA Dept of Agriculture	Eastern Cape	Employees	X	X	X	X	X	X	X	X	X	N/P	D. Cooper	X		
41	Sep-02		Sep-03	12	Majindi Farm Irrigation Scheme	Kwa Zulu Natal Dept of Agriculture	Kwa Zulu Natal	Employees	X	X	X	X	X	X	X	X	X	N/P	D. Cooper	X		
								Total	41	40	40	41	37	41	41	18	41	5		26	3	5
			avg month	15																		

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GEAR Agricultural Privatization Project
Data Table 3
Indicators for Closed Transactions

	Date Started	Date Closed	Est Close Date	Length	Assets Privatized	Privatizing Entity	Location of Assets	Entity Assisted	Dollar Value ($millions)	*Indicators for Closed Transactions* Creation of Shareholders Trust	Creation of Purchasing Company	Clients have begun work	Financing Raised (directly or through transfer)	Public Announcement of Transfer to Clients	Legal Transfer of Title to Assets
1	Oct-98		May-03	55	Lisbon Estates Farm	Limpopo Dept of Agriculture	Limpopo	Employees	1.03	X	X		X		
2	Jan-99	Feb-00		13	Peddie Pineapples	Eastern Cape Dept of Agriculture	Eastern Cape	Farmers	2.56	X		X	X	X	X
3	Apr-99	May-00		13	Kat River Citrus Farms	Eastern Cape Dept of Agriculture	Eastern Cape	Farmers	2.30	X		X	X	X	X
4	Apr-99	Jun-01		26	Zebediela Citrus Farm	Limpopo Dept of Agriculture	Limpopo	Employees	2.00	X			X		
5	Apr-99	Dec-00		20	Johannesburg Fresh Produce Market	Johannesburg City Council	Gauteng	Stakeholders	3.33		X	X	X		
6	May-00		May-03	36	Magwa Tea Estate	RSA Department of Land Affairs	Eastern Cape	Employees	3.80	X	X	X		X	X
7	May-00	Jun-01		13	Ncora Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	3.70	X		X	X	X	
8	May-00	Jun-01		13	Qamata Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	1.50	X		X	X	X	
9	May-00	Jun-01		13	Hereford Farm	RSA Department of Land Affairs	Mpumalanga	Farmers	0.30	X					
10	Jun-00	Jul-01		13	Funda Mlimi Training Farm	RSA Department of Land Affairs	Mpumalanga	Farmers, employees	0.30	X		X	X		
11	Jun-00	Jul-01		13	Kwa Ndebele Farms	RSA Department of Land Affairs	Mpumalanga	Farmers	3.90	X		X	X		
12	Jun-00	Jul-01		13	Swartkoppies Farm	RSA Department of Land Affairs	Mpumalanga	Farmers	0.44	X		X	X		
13	Jul-00	Aug-01		13	Schoemansdal Coffee Project	RSA Department of Land Affairs	Mpumalanga	Ngugwane Farmers	0.58	X		X	X		
14	Jul-00	Aug-01		13	Land	RSA Department of Land Affairs	Mpumalanga	Singleton Farmers	0.30	X		X	X		
15	Jul-00	Jul-01		12	Majola Tea Estate	RSA Department of Land Affairs	Eastern Cape	Employees	1.02	X		X	X		
16	Jul-00	Aug-01		12	Zanyokwe Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	0.02	X		X	X		
17	Jul-00	Aug-01		12	Keiskammahoek Irrigation Scheme	RSA Department of Land Affairs	Eastern Cape	Farmers	0.05	X		X	X		
18	Jul-00	Jan-01		6	P L Ferreira Farms	RSA Department of Land Affairs	Eastern Cape	Employees	0.20			X	X		
19	Aug-00	Sep-01		13	Tsitsikamma Trust	RSA Department of Land Affairs	Eastern Cape	Farmers	0.38	X		X	X		
20	Aug-00	Sep-01		13	Riverside Farms	RSA Department of Land Affairs	Eastern Cape	Employees	1.00	X		X	X		
21	Sep-00	Jun-01		10	Port Shepstone Fresh Produce Market	Port Shepstone City Council	Kwa Zulu Natal	Stakeholders	0.00				X	X	
22	May-01		Jan-03	20	Agrichicks	North West Dept of Agriculture	North West	Employees	10.00		X		X		
23	Jun-01	Aug-01		3	Land	Dept of Water Affairs and Forestry	Limpopo	Community	3.70	X		X	X		
24	Jun-01	Oct-01		4	Mashashane Hatchery	Limpopo ARDC	Limpopo	Farmers	0.00			X	X		
25	Nov-01		Jun-03	19	Vryhof Silo	RSA Dept of Agriculture	North West	Farmers	0.00				X		
26	Nov-01		Jun-03	19	Kraaipan Silo	RSA Dept of Agriculture	North West	Farmers	0.75	X	X		X		
27	Nov-01		Jun-03	19	Springbokpan Silo	RSA Dept of Agriculture	North West	Farmers	0.00				X		
28	Nov-01		Jun-03	19	Mimosa Nest West Poultry Farm	North West Dept of Agriculture	North West	Employees	0.00	X			X	X	
29	Nov-01		Jun-03	19	Mimosa Nest East Poultry Farm	North West Dept of Agriculture	North West	Employees	0.25	X			X	X	
30	Nov-01		Jun-03	19	Dinokana Irrigation Scheme	North West Dept of Agriculture	North West	Farmers	0.15	X	X	X	X		
31	Nov-01		Jun-03	19	Molatedi Irrigation Scheme	North West Dept of Agriculture	North West	Farmers	0.00	X		X	X		
32	Mar-02		Mar-03	13	Frankfort Avocado Estate	SAFCOL	Mpumalanga	Employees	0.75	X	X	X	X	X	
33	May-02		Mar-03	10	Tsholofelo Citrus Estate	RSA Dept of Agriculture	North West	Employees	4.60	X		X	X		
34	May-02		Mar-03	10	Land	RSA Department of Land Affairs	Mpumalanga	Community	0.90	X		X	X		
35	May-02		Mar-03	10	Land	RSA Dept of Agriculture	North West	Community	0.90	X		X	X		
36	May-02		Mar-03	10	Land	Port Shepstone City Council	Kwa Zulu Natal	Farmers	0.65	X		X	X		
37	Sep-02		Sep-03	12	Cape Town Fresh Produce Market	Cape Town City Council	Western Cape	Employees	0.00	X		X	X	X	
38	Sep-02		Sep-03	12	Land	RSA Dept of Agriculture	North West	Employees	0.33	X		X	X		
39	Sep-02		Jun-03	10	Inala Farm	RSA Dept of Agriculture	Mpumalanga	Employees	1.61	X		X	X		
40	Sep-02		Sep-03	12	Masenge Irrigation Scheme	RSA Dept of Agriculture	Eastern Cape	Employees	0.25	X		X	X		
41	Sep-02		Sep-03	12	Maina Farm Irrigation Scheme	Kwa Zulu Natal Dept of Agriculture	Kwa Zulu Natal	Employees	2.00	X		X	X		
								Total	55.55	34	7	31	39	10	3
						Value for Money									
						June 2000-May 2001		275,000							
						June 2001-May2002		500,026							
						June 2002-May2003		816,715							
			avg month	15				1,591,741	$34.90						
									per $1 spent						

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GEAR Agricultural Privatization Project
Data Table 4
Financing Sources

	Date Started	Date Closed	Est Close Date	Length	Assets Privatized	Financing	Financing Sources LRAD	SLAG	Other	
1	Oct-98		May-03	55	Lisbon Estates Farm	X			X	Strategic partner
2	Jan-99	Feb-00		13	Peddie Pineapples	X			X	Growers association
3	Apr-99	May-00		13	Kat River Citrus Farms	X			X	Customer credit
4	Apr-99	Jun-01		26	Zebedia Citrus Farm	X		X	X	Land Bank
5	Apr-99	Dec-00		20	Johannesburg Fresh Produce Market	X			X	Fidelity Bank
6	May-00		May-03	36	Magwa Tea Estate	X		X		
7	May-00	Jun-01		13	Ncora Irrigation Scheme	X			X	Dept Public Works, CPPP
8	May-00	Jun-01		13	Qamata Irrigation Scheme	X			X	Dept Public Works, Dept Agriculture
9	May-00	Jun-01		13	Hereford Farm	X	X			
10	Jun-00	Jul-01		13	Funda Milimi Training Farm	X	X			
11	Jun-00	Jul-01		13	Kwa Ndebele Farms	X	X			
12	Jun-00	Jul-01		13	Swartkoppies Farm	X	X			
13	Jul-00	Aug-01		13	Schoemansdal Coffee Project	X	X			
14	Jul-00	Aug-01		13	Land	X	X		X	Private investor
15	Jul-00	Jul-01		12	Majola Tea Estate	X		X		
16	Jul-00	Aug-01		12	Zanyokwe Irrigation Scheme	X			X	Dept Public Works
17	Jul-00	Aug-01		12	Keiskammahoek Irrigation Scheme	X			X	Dept Public Works
18	Jul-00	Jan-01		6	P.L. Ferreira Farms	X	X			
19	Aug-00	Sep-01		13	Tsitsikamma Trust	X	X			
20	Aug-00	Sep-01		13	Riverside Farms	X			X	P.L. Ferreira
21	Sep-00	Jun-01		10	Port Shepstone Fresh Produce Market	X			X	Land Bank
22	May-01		Jan-03	20	Agrichicks	X	X		X	Land Bank, DBSA, private investor
23	Jun-01	Aug-01		3	Land	X	X			
24	Jun-01	Oct-01		4	Mashashane Hatchery	X	X			
25	Nov-01		Jun-03	19	Vryhof Silo	X	X			
26	Nov-01		Jun-03	19	Kraaipan Silo	X	X			
27	Nov-01		Jun-03	19	Springbokpan Silo	X	X			
28	Nov-01		Jun-03	19	Mimosa Nest West Poultry Farm	X	X		X	Farmers' union
29	Nov-01		Jun-03	19	Mimosa Nest East Poultry Farm	X			X	Private investor
30	Nov-01		Jun-03	19	Dinokana Irrigation Scheme	X	X			
31	Nov-01		Jun-03	19	Molatedi Irrigation Scheme	X	X			
32	Mar-02		Mar-03	13	Frankfort Avocado Estate	X	X		X	Strategic partner, commercial bank
33	May-02		Mar-03	10	Tsholofelo Citrus Estate	X	X			
34	May-02		Mar-03	10	Land	X	X			
35	May-02		Mar-03	10	Land	X	X			
36	May-02		Mar-03	10	Land	X	X		X	Port Shepstone City Council
37	Sep-02		Sep-03	12	Cape Town Fresh Produce Market	X			X	Commercial bank
38	Sep-02		Sep-03	12	Land	X			X	Lonmin
39	Sep-02		Jun-03	10	Inala Farm	X	X			
40	Sep-02		Sep-03	12	Malenge Irrigation Scheme	X	X			
41	Sep-02		Sep-03	12	Majindi Farm Irrigation Scheme	X	X			
						41	25	3	19	
			avg month	15						

APPENDIX 6

CLEMENTS, Wendy Larsen

Deloitte Touche Tohmatsu

Proposed Position: Senior Privatization Adviser

KEY QUALIFICATIONS:

Ms. Wendy Clements is a seasoned management consultant with proven effectiveness at serving clients in emerging markets. Ms. Clements joined Deloitte & Touche in 1995 and became director of the overall practice office in Tashkent, Uzbekistan. She has extensive consulting and project management experience in a broad range of sectors, including privatization projects and enterprise restructuring engagements involving the raising of new investment capital. She has worked in challenging, cross-cultural situations for much of her career and has adapted quickly, tactfully and effectively to new environments.

Ms. Clements is currently managing a three year engagement, funded by USAID to assist the historically disadvantaged in South Africa to buy entities which the Government is privatizing. The objective of this innovative program is promotion of equity and redistribution of wealth so that the historically disadvantaged have a stake in the new economy. The Department of Public Enterprises (DPE) has periodically requested feedback from the buyer's perspective to improve its privatization record.

EDUCATION:

- B.A., Anthropology and Sociology, Elmira College, Elmira, New York
- M.B.A., Finance, Babson College, Wellesley, Massachusetts

EXPERIENCE RECORD:

- 1997-present — Deloitte Touche Tohmatsu Emerging Markets, Johannesburg, South Africa
- 1995-1997 — Deloitte & Touche CIS, Tashkent, Uzbekistan
- 1993-1995 — US Peace Corps, Tashkent, Uzbekistan
- 1981-1993 — Booz, Allen & Hamilton Inc., Arlington, Virginia
- 1979-1981 — Coopers & Lybrand, Washington, DC
- 1979 — Inverness Venture Capital, Alexandria, Virginia

EXPERIENCE DETAILS:

Deloitte Touche Tohmatsu Emerging Markets

- **Chief of Party, South Africa (USAID)** **1997-2001**

  Privatization project focuses on assisting the historically disadvantaged in South Africa to buy entities which the Government is privatizing. The objective of the program is to promote equity and the redistribution of wealth so that the historically disadvantaged, in conjunction with a strategic partner, develop a stake in the new economy. Assistance consists of identifying and negotiating with strategic partners, developing bid strategies and tender documents, raising financing, and negotiating purchase price with the Government. The project assisted in a broad range of transactions including but not limited to the divestiture of several print shops, a number of resorts owned by the government, a travel agency, outsourcing of waste management services, a fresh produce market, and numerous state owned farms. Emphasis was placed on assisting small. and medium enterprises. Post privatization support has included assistance in corporate governance, financial management, and strategic planning. The project has assisted in more than 40 transactions.

Deloitte & Touche CIS **1995-1997**

- **Project Manager, Uzbekistan (the World Bank)**
  This privatization project focused on attracting foreign investors to Uzbekistan as well as the development of the Uzbek capital market. The project included describing and analyzing all sectors of the economy; screening public enterprises of potential interest for foreign investors; preparing business profiles and business plans; enterprise valuation; identification of potential foreign investors; a direct investor contact program; and negotiation support. Expertise was required in diagnosing which enterprises had realistic potential for direct foreign investment and how best to facilitate that process. Assistance was provided in structuring transactions leading to the following investment decisions:

Ownership	Investment
Uzbektelekom, City of Chirchik, Deutsch Telecom and Alcatel	$15,100,000
Uzpharmprom, Technoparm, the Uzbek Scientific Research Chemical Pharmaceutical Institute, and Core Healthcare of India	$9,000,000
Myasamolprom and Nestle	$20,000,000
World Plastic	3,500,000
Uzbektelekom and Daewoo	$192,400,000
Uzbektelekom, Siemens, STET Italy, and Simets Italy	$11,200,000

  The capital market component resulted in the development of a Capital Market Framework Model, which was a useful source of inspiration to the Government of Uzbekistan in the finalization of a concept for the development of the capital market.

- Performance of a financial due diligence on an Uzbekistan State Owned Enterprise (SOE) in the cement industry for a Swiss investor. The information gained in the due diligence assisted both sides in developing creative financing measures for a joint venture to operate one cement plant and to begin negotiations to operate a second plant.

- Performance of a business valuation on a hotel owned by the Tashkent City Municipality. The valuation assisted the City by developing a realistic assessment of a hotel property, which had attracted numerous foreign investors over a five-year period without conclusion of a deal because of unrealistic expectations on the part of the City.

- Joint Venture Facilitation. Performed market research on the value of land as a contribution to a joint venture in an environment where there is no private ownership of land and no market for land. Research resulted in a protocol to develop a joint venture to build and operate a hotel where previously negotiations had been stalled for a year. The joint venture will be between the Tashkent City Municipality and a large French construction company.

- Enterprise Valuation Performance of a business valuation on an Uzbekistan SOE, a tea processing and packaging company for the State Committee for State Property Management and Entrepreneurship Support (GosKomImushchestvo (GKI)). Uzbekistan is one of the largest per capita tea consuming countries in the world. The valuation led to the company's decision to seek financing based on the profit potential of the business rather than a joint venture partner to modernize operations.

- Private Sector Development. Assisted in the development of the first Uzbekistan brand for agricultural products 'MR HIZMAT' TM, which is registered with the newly established association of independent retailers 'ERKIN SAVDO' TM . Assisted in business planning.

- Valuation and Corporate Finance Advisory Services. Performance of a financial due diligence on a Kazakhstan SOE in the petrochemical industry for the GKI. The valuation led to the company's decision to seek financing rather than a joint venture partner to modernize operations in this strategic asset.

Peace Corps **1993-1995**

- **Uzbekistan**
  Administrative Officer for the establishment of the Peace Corps program in Uzbekistan. Managed cash flow under conditions of high inflation and the three-phased introduction of a new currency. Managed program in accordance with all local labor laws and all foreign and local currency regulations.

- **Kyrghyzstan**
  Consultant to the Administrative Officer for the establishment of the Peace Corps program in Kyrghyzstan. Implemented financial accounting system.

- **Turkmenistan**
  Consultant to the Administrative Officer for the establishment of the Peace Corps program in Turkmenistan.

Booz, Allen & Hamilton **1981-1993**

- **Team Leader, Saudi Arabian Government**
  Developed and implemented a financial management and reporting system. The project included design, development and implementation of an automated system to monitor over $9B of funds among over 65 independent budget units. Developed and implemented a financial management and control system for a $45M training program.

- **Program Manager, Germany**
  Program Manager on a German government financed project to develop and implement financial management systems for a technical support program.

- **Team Leader, France**
  Team Leader on a French government financed project to develop and implement financial management systems for a technical support program.

- **Program Manager, Colombia**
  Program Manager on a US Government financed project to develop the financial plan and management system for a counter drug program.

- **Program Manager, Brazil**
  Program Manager on a US Government financed project to develop the financial plan and management system for a training program.

- **Program Manager, Morocco**
  Program Manager on a US Government financed project to develop the financial plan and management system for a training program.

- **Program Manager, Egypt**
  Program Manager on a US Government financed project to develop the financial plan and management system for a training program. Automated systems strategy and improvement plan for large electrical hardware company. Development of business/program plan for a high technology organization. Assignment required development of sophisticated computer simulation model to assist in assessing the potential of competing technologies. Development of business/program strategy for a high technology organization responding to a changing market environment. Assignment extensively utilized gaming techniques. Development of a business/program plan for an aircraft repair facility. The project included a detailed strategy review, review of the management and organization structure, human resource management, design and training in budget procedures, management reporting and control, as well as system implementation support. Development of a marketing planning for an association in the electronics industry. The project included a detailed sector analysis, industry survey of export market, and identification of potential export markets.

Coopers & Lybrand **1979-1981**
Development of business plan for a university. The project included a detailed strategy review, review of management and organization structure, human resource management, and budgeting procedures. Development of merit based appraisal system for a multi-billion dollar organization.

Inverness Venture Capital **1979**
Development of a business plan for a weekly newspaper owned by a venture capital firm.

LANGUAGES:

	Speaking	Reading	Writing
English	Excellent	Excellent	Excellent
Russian	Good	Poor	Poor
French	Poor	Fair	Poor

CURRICULUM VITAE

DAVID COOPER

POSTAL ADDRESS: P O BOX 306
WITS
2050

HOME ADDRESS:

PHONE: 012 319-7298(work)

FAX: 012 321-7219

HOME:

EDUCATIONAL QUALIFICATIONS

HIGH SCHOOL: Matriculated, 1968. General Smuts High School, Verreniging

UNIVERSITY: 1969 – 1972

B.Sc Agriculture, University of Natal, Pietermaritzburg. Major Subjects, Agricultural Production and Agricultural Economics.

1977 – 1978

M. Sc. Agricultural Extension at University of Reading, United Kingdom. A one year degree, with a thesis on the effects of Rural-urban migration in rural development.

EMPLOYMENT

CURRENT EMPLOYMENT

April 1999 –

Independent Consultant

I have undertaken the following:

Policy on State Land Management: Department of Land Affairs. This involves examining the policies in terms of which state land can be disposed of to empower farmers in former homeland areas or on state agricultural enterprises.

Evaluation of Farm Africa Eastern Cape project and Ncora Farmers support programmes. This was a short-term consultancy for the Land Bank

Evaluation of Farm Africa Eastern Cape project and Ncora Farmers support programmes. This was a short-term consultancy for the Land Bank

Transformation of the Agricultural Research Council – short-term consultancies on Resource Poor Agriculture and institutional restructuring.

Assessment of High Value Agricultural Crops for Gauteng Department of Agriculture - Co-ordination of joint study by ARC and CSIR.

PREVIOUS EMPLOYMENT:

Ministry of Agriculture and Land Affairs, Pretoria (March 1997 – March 1999):

Employed as a consultant responsible for a number of projects in the Minister's Office, namely:

> Minister's representative on Task Team for restructuring Parastatals, National Task Team And Eastern Cape.

The national Task Team on State-Owned Agricultural Enterprises advised the Minister on agricultural enterprises owned by the National or Provincial Departments, and the likely ways of restructuring these, either by privatisation, joint ventures, management or worker buy-outs, handovers to communities or closures. It involved close liaison with provincial government, as well as parastatal corporations. I was responsible for on-going liaison with the Eastern cape government over closure of the Parastatals, retrenchment of some 4000 government employees, and the transfer of assets to community entities, all in the face of severe budget constraints. The most successful transformation to date has been the hand-over of Magwa tea to a workers' co-operative, and a turn-around from R20 million losses to a R5 million surplus. This work involves socio-economic and policy implication analysis at macro and micro level.

Between November 1998 and March 1999, I was asked to prepare proposals for large-scale land reform projects. I identified a number of land state- and privately owned companies where restructuring would lead to worker equity participation. A number of projects such a Lisbon Estates and Zebediela were identified and I co-ordinated the planning and presentation of proposals to the Minister.

I also served as Director in the following bodies that played an active role in restructuring state owned agricultural projects:

Agricultural and Rural Development Corporation (Northern Province) 1995 – 1998
Rural Strategy Unit (Free State) 1994 – 1998
Inala Farms (Mpumalanga), as chairperson (Current)

Co-ordinator of Working Group for Policy on Agricultural Support Services

As chair of this working group, I commissioned policy papers in three areas, extension services, agricultural research, and agricultural training. The working group has produced comprehensive policy recommendations for restructuring agricultural support services, involving improved management of resources, outsourcing of services, and rationalisation of overlapping responsibilities.

Co-ordinator of working group on restructuring Agricultural Research Council

The ARC is the primary recipient of government funding of agricultural research. I was appointed co-leader of a team evaluating the ARC. The review recommended changes in management of the ARC at senior level, and reorientation of its role to meet the needs of small scale and resource poor farmers. Between January and October 1998 I co-ordinated a committee responsible for preparing a restructuring plan for the ARC.

Consultancy work in the Forestry Sector (July 1997 – December 1998)

Form Homelands Forestry Option Study.

I served as a consultant for LHA Associates, which produced a report on restructuring the former homeland forests. Essentially, the study recommends that the forests be privatised and sold in clusters. I was particularly responsible for analysing community and worker responses to the forestry industry, and for reporting on land issues in the forestry sector. The key recommendation is to maintain the status quo of government land ownership during restructuring, while recognising underlying land rights of communities. Employment and community access are critical issues in any restructuring, and especially local employment and processing need to be preserved in the face of retrenchment of government forestry workers which is necessary in the restructuring.

Forestry legislation steering committee

I served on the steering committee overseeing the preparation of new forestry legislation. This draws on previous experience on forestry policy.

In addition, I served on the National Forestry Advisory Council and as a member of the National Forest Action Programme Steering Committee.

Land and Agriculture Policy Centre (1993 – February 1997)

I was first the Advocacy Director and then the Executive Director, responsible for initiating this Centre as a Section 21 Company in 1993. It is a policy research Centre developing policy options for the new government on land redistribution, agricultural reform, rural development and natural resource management. I started LAPC with an initial annual budget of approx. R1 million, and with a staff complement of 7. In 1996, its budget was in excess of R15 million, and its staff complement over 40, as well as many consultants employed.

I have been involved in many policy processes on forestry agriculture, land reform and natural resource management, drawing up terms of reference for studies and managing a number of studies personally, as well as being ultimately responsible reporting to the Board of Directors on all aspects of the LAPC.

I was responsible for all aspects of the Center's operations, including general management, initiating policy processes, commissioning and reviewing research, and publication. Major research projects, which I initiated and co-managed with my staff included:

- Land redistribution options (1993), a study of land reform options done in cooperation with the World Bank;
- Natural resource management in South Africa (1994), a review of natural resource management, in cooperation with the World Bank;
- Agricultural Marketing in South Africa (1993-19960, a major review of marketing policy in South Africa, which included participation in the Maize advisory committee which led to the restructuring of the maize industry.
- Agricultural Policy of the ANC (1994) a document, which set out the agricultural policy of the African National Congress as it, prepared for government.
- Land reform in South Africa (1994-1995) a study of the issues to be faced in implementing a land reform programme in South Africa;
- Rural Livelihoods in South Africa, (1995-1997) in cooperation with the Liptons of Sussex University;
- Options for St Lucia (1996) a review of the government policy on St Lucia;
- Agricultural Development Corporations in South Africa (1995-1996), a study of the ADCs in the various provinces;
- A review of Agricultural research in South Africa (1994);
- A review of agricultural education in South Africa (1995);
- Livelihoods in semi arid areas (1995-1996), three district studies done in cooperation with the Stockholm Environmental Institute.

I have served on a number of government policy committees and task teams, including the White papers on agriculture, land reform and forestry, and sub-committees of the Strauss Commission on rural finance. I was coordinator of the transformation team, which undertook the restructuring of the Northern Province Department of Agriculture from June 1994 till the appointment of the acting head of department in early 1995. I also served as acting chair of the Board of the Agricultural and Rural Development Corporation in Northern Province during the initial months of its existence.

LAPC has produced over 90 policy and working papers covering a wide range of issues. I have contributed to, commented on and edited many of these. I have also edited briefing papers, which LAPC produced.

I have been involved in policy processes to do with agricultural extension, research and training in the course of my work.

I have some teaching experience. During my time at LAPC I have taught a semester course on land reform and rural development to Development Planning graduate students in the Town and Regional Planning department of the University of Witwatersrand. Until 1995 I also taught a course in environmental issues to students in the Wits Engineering faculty, a course which I initiated.

I have been involved in non-formal training through the many workshops and seminars which LAPC held. These included:

The Natural Resource Management workshop (1993)
Land Redistribution Options workshop (1993)
Parliamentarians Workshop (1995)
Agricultural white Paper workshops (1994)
Forestry White Paper workshop (1995)
Land reform White paper workshop (1995)

In almost all these instances my work included conceptualisation, design, planning workshop coordination, editing reports, follow-up with participants.

In 1996, I attended a workshop on sustainable agriculture policy run by the London-based Institute for environment and Development, a current research project I am involved in.

Environmental & Development Agency, a NGO working in Rural Development. (1979 – 1992)

Group for environmental Monitoring, an environmental research group. (1991)

The organisational work I did at EDA and Gem involved:

- Building progressive community-based organisations around land use issues, in impoverished "Homeland" communities;
- Creating educational resources; and
- Advocating changes to rural development policies and perceptions, through involvement in public education work

Within this framework, worked on many aspects of land struggles and rural land-use. These included:

- Strategising and planning rural development interventions;
- Contributing to agricultural aspects of land struggles;
- Working as an agricultural adviser and planner;
- Creating educational materials;
- Specialising in advocacy and research on progressive policies on rural land-use;
- Researched and examined the agricultural and rural development

Sector as a whole – my field of special interest has been sustainable land-Use, and the intersection of environmental and development questions. I Produced a number of publications (see listed below), and taught courses At the University of Witwatersrand during this time.

Kwazulu Dept of Agriculture (1975-1977)

I worked as a Professional Officer responsible for extension work in the Sugar cane-growing districts of Kwazulu. I organised a number of training Courses for extension officers, especially on sociological and rural development aspects of extension.

Farm manager, Palmietfontein farm (1973 - 1975

I managed the family farm for a two-year period. This was a sheep, beef cattle and grain farm comprising some 1200 hectares near Sasolburg, Free State.

PUBLICATION

I have written a number of papers and articles on issues relating to agriculture, rural development and the environment.

Publications include:

Agriculture section of People's workbook, EDA, 1981.

"Working the Land", A review of South African Agriculture, EDA, 1988.

"Control and Ownership of South African Agriculture" in Whyte and Suckling, After Apartheid, James Currie, 1987.

"Control and Ownership of Commercial Agriculture" in Moss and Obery, SA Review 4, Ravan, 1987.

co-author "Water waste and Wildlife, the politics of South African Ecology", Penguin, 1990.

"Reaping a different Harvest" in Mamphele Ramphele (ed) Restoring the Land, Panos, 1991.

"From Soil Erosion to Sustainability" in Cock and Koch (eds.) Going Green, OUP, 1991.

"Agriculture, its problems and its prospects" in Schrire (ed)Critical Choices, OUP, 1991.

"Re-forming the Land Question" in Schrire (ed) Critical Choices 2, OUP, 1992.

Contribution to Cross-Times, Special Issue on Land, 1990.

"Claiming the Land" in New Ground 1, EDA, 1990.

"Sustainable Land Use" in New Ground 3, EDA, 1991.

Bromley D, Cooper D, and Fakir S, "Land Reform and Environment", in Kirsten and Van Zyl (eds.), Policies, Markets and Mechanisms for Agricultural Land Reform in South Africa, OUP, 1995.

Fakir S and Cooper D, "Sustainable development, Agriculture and energy", paper presented to NGO Renewable Energy Summit, New York 1995. LAPC Policy Paper #17.

Workshop proceedings written and edited:

"Natural Resource Use for a new South Africa" March 1993.

"Land Redistribution Options Conference" September 1993.

Papers and books contributed to as editor or on steering committee

"ANC Agricultural Policy", LAPC, 1994.

Jones et al., "Agricultural Marketing and Pricing in a Democratic South Africa", LAPC Policy paper #2

MacPherson et al, "Agricultural Development Corporations in South Africa" LAPC Policy paper # 19

Bromley, D "Natural Resource Management Issues in Environmental Policy in South Africa", LAPC, 1995.

"Natural Resource Management – summary reports" LAPC Working Paper # 20

Gebeda et al, "Agricultural Education and Training in South Africa", LAPC Policy Paper # 22.

Dikeni, Moorhead & Scoones, "Land Use and Environment Policy in the Rangelands of South Africa", LAPC Working Paper # 38.

"Options for St Lucia". LAPC Policy Paper

"Options for Land reform and Rural Restructuring in South Africa", World Bank, 1993.

Lipton et al., "Land Labour and Livelihoods in Rural South Africa" Volume 1 & 2, Indicator, 1996.

Marcus et al, "Down to Earth", Indicator, 1996.

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BIOGRAPHICAL SUMMARY

A seasoned business man and consultant with over 30 years experience providing management leadership and technical assistance to small and medium sized businesses in Southern Africa, the United States and internationally. Received his academic qualification from the University of South Africa, (CTA), his professional certification as a Chartered Accountant, CA (S.A.) and was awarded a World Council of Universities scholarship, graduating with a Masters in Business Management from the University of Manchester in England. Has demonstrated an exceptional ability to identify needs and to develop and implement constructive business solutions. With recent extensive experience in Micro-finance and SMME business development and a history of building growth businesses, managing and advising on start-ups and transformations, mergers, acquisitions, divestitures, franchising and licensing on five continents.

EXPERIENCE

MANAGEMENT CONSULTING IN SOUTH AFRICA

INDEPENDENT BUSINESS DEVELOPMENT CONSULTANT (1996 – Present)

Returned to South Africa to work under contract on USAID projects in association with Deloitte, Touche Tohmatsu, The Africa Project Development Facility and, Eccles Associates to assist historically disenfranchised entrepreneurs enter the main stream economy. Other major clients and projects have included Khula Enterprise Finance Limited, Ebony Consulting International and the Department of Land Affairs. In addition to working closely with donor funded programmes including financing institutions, such as; SAEDF, IFC, World Bank, EU, Danced, Norfund, HIVOS, CDC and the ADB, and with organisations providing technical assistance to the private and public sectors of the South African economy.

Accomplishments include:

- Developing a major donor funding proposal for Khula Enterprise Finance Ltd. Motivating long-term commitments of substantial contributions of donor funds to the continued development of the Micro-finance industry in South Africa. Establishing the logical framework analysis for the measurement of input, best practice criteria and anticipated outcomes of the various programmes designed for micro-finance retail institutions and very small lending operations.

- Determining the feasibility of establishing RFIs to address the micro-finance needs of the youth, based on market analysis and new innovative product design, under the auspices of HIVOS. Researching available resources for pre- and post-funding technical assistance and recommending appropriate business and financial models.

- Developing a business plans and investment proposal for a major financial institution to diversify its service offering to a broader section of the emerging market, particularly in the micro-finance and small home and home improvement lending sectors. Assessing the soundness of project concepts, determining financial viability and probability of success.

- Undertaking due diligence for international financial institutions, evaluating and reporting on investment opportunities in equity funds and privatisation proposals. Advising on capital structuring, suitable financial instruments and on regulatory and economic considerations.

- Developing business plans and investment proposals; mobilising equity and debt funding for businesses in need of capital of between R500,000 and R50 million. Identifying the business champions and evaluating management teams' dedication and determination to succeed. Funding has been secured for private farms, manufacturing and retail operations, tourism and medical services.

- Privatising large farms, previously owned and managed by the Provincial authorities, by securing over R16 million in equity finance from the Department of Land Affairs, Settlement, Land Acquisition Grants and obtaining long term debt financing of a further R14 million. Thereby preserving the jobs of 1700 people and sustaining export earnings of over R25 million per annum.

MANAGEMENT CONSULTING IN THE UNITED STATES

ARCHITECTS OF BUSINESS PLANS (1988 - 1996)
(An association of independent business consultants located in various major international centres.)

Providing strategic planning and technical assistance to privately owned businesses in Illinois, USA. Requiring ingenuity and ability to quickly assimilate disparate technologies, generate original ideas, evaluate and assess alternatives and implement practical solutions.

Accomplishments include:

- Raising capital to support an emerging business producing technologically advanced loudspeakers. In the first fifteen months the company launched three new products with sales of $1.4 million and Disney, Universal Studios, and the Smithsonian Institute as some of the more notable adopters.

- Re-engineering the international sales strategy for a highly successful US main-frame software corporation. Establishing new European distribution networks and support operation, increasing sales by $16 million per annum to 40% of total revenues.

- Directing the integration of one of the first complete suites of relational database Execution Management software for manufacturing, warehousing and distribution. Restructuring the business supporting eight value-added-resellers and major accounts including; Boeing, Caterpillar, General Dynamics and Johnson & Johnson.

- Resource Recovery Corp.. Assessing the developmental stage of a new technology to recycle scrap tyres, determining that the concept would yield compelling economic returns and securing $16m to fund the initial 8 regional production facilities.

- Square One Inc. - marketing fire safety equipment maintenance scheduling systems. Determining that the product could achieve a substantial market share, after undertaking market research, evaluating the competitive environment and assessing customer awareness.

- National Economic Development Coalition, a consulting and information database service linking ethnic groups in the US with developing businesses in central Europe. Identifying the concept champions and developing a dedicated and determined management team.

- Intersonics Inc. repositioning a NASA funded. high tech R & D group into the private sector. Leading the strategic planning process, financial modelling and the development, writing, and presentation of business acquisition proposals.

CORPORATE EXECUTIVE MANAGING INTERNATIONAL OPERATIONS

Broad based experience over 15 years managing numerous businesses ranging in size from start-ups to $70 million operations. Promoted through the management hierarchy of Bell & Howell Corporation from the position as Managing Director of a $6 m, South African subsidiary to Group President, International. Directing operations in Australia, Brazil, Canada, Japan, New Zealand, South Africa, Latin and South America, the Pacific Rim, and in the US. Identifying organisational needs, selecting the right people, training and organising them into effective teams that achieved the necessary results; creating constructive strategic plans, while implementing operational plans to address day-to-day activities.

BELL & HOWELL (1975 - 1988)
Group President, International Group
Vice President International Finance

Accomplishments include:

- Negotiating 18 acquisitions, mergers, licenses and divestitures in Africa, Australia, Brazil, Europe, Japan, Mexico and the US, redeploying $26 m invested capital. Increased global profitability and sustained revenue growth at an average of 12.5% per annum for eight years, while divesting of unprofitable businesses that had originally accounted for over 60% of sales.

- Developing and implementing a long range, $8 m, investment strategy to compete aggressively in the Japanese bulk mail automation market. The Japanese subsidiary captured 40% of the market, representing an average turnover of $6 m per annum, with products exported from the US.

- Restructuring the global capital investment in operations that were no longer core businesses. Sold six overseas subsidiaries, liquidating long term debt and repatriating over $10 m capital.

- Leading two delegations of technical experts in high-speed mail sorting equipment, and De Vry Institute of Technology training schools, to the Peoples Republic of China, in Beijing. Extended negotiations over two years to establish major joint ventures in China proved fruitless.

FINANCIAL DIRECTOR AND ENTREPRENEUR IN SOUTHERN AFRICA

MICROGRAPHIX (PTY) LTD. Managing Director (1973 - 1978)
Managing Director and controlling shareholder of a start-up business manufacturing and marketing information systems equipment and providing bureau services in the major centres of South Africa.

HOLIDAY INNS, LTD. Financial Director (1969 - 1973)
Financial director of Amalgamated Hotels Ltd. (Holiday Inns of Southern Africa), a listed company.

WIT INDUSTRIALS, LTD. (Johannesburg, South Africa) Group Accountant (1967 - 1969)
Group accountant for 11 JSE listed, publicly traded, financial holding, mining, exploration, manufacturing and hotel companies.

ALEX. AIKEN AND CARTER (Public Accountants) (1960 - 1967)
Served articles, qualifying as a Chartered Accountant (SA) and graduated with a Master of Business Administration degree from Manchester University, England.

PERRY & ASSOCIATES. Director (1975 - 1992)

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CAREER HIGHLIGHTS: PUBLIC ENTERPRISE MONITORING/CONTROL AND PRIVATIZATION

Senior Associate/Intermittent Consultant (1997- Present)
Deloitte Touche Tohmatsu Emerging Markets Group (EMG). EMG is an associate firm of the U.S. practice of Deloitte Touche Tohmatsu. Served initially as the manager of the focus area of 'private sector development' which includes privatisation, SME development, and financial institutions and markets. For the Norwegian Development Agency (NORAD), provided an assessment and evaluation of successful programmes and strategies in the small and micro-enterprise and low income housing sectors, with a view toward the design of a US$10 million loan guarantee facility. Advised NORAD on the structure of guarantee programs, and provided options for a successful fund in the context of the South African environment. For an USAID-funded privatisation project, serve as Corporate Finance Advisor to selected clients for the acquisition of state-owned assets. To date, have completed transactions in the following sectors:

- Hotels, Travel and Tourism
- Commercial Real Estate
- Agriculture and Aquaculture
- Waste Management

For clients, provide a range of services including:

- Preparation of bid documents
- Business analysis and planning
- Valuation
- Financial structuring
- Growth management planning

In the agricultural sector, participated in the following transactions:

- Johannesburg Fresh Produce Market: at the request of the Johannesburg Metro Council, advised the hawkers association and the black farmer's organisation on their participation in a consortium to purchase the market. Advised the Council on issues related to corporatization.
- Ncora and Qmata Schemes: conducted site inspections and co-ordinated with the provincial government on the structure of community involvement in the restructuring and transfer of ownership of these irrigation schemes

- Peddie Pineapple: Undertook a complex financial analysis of the scheme and proposed a capital structure that allowed significant community ownership
- Alice Kat: Undertook a financial analysis of the scheme and made recommendations for financing
- Forestry: For a bidder for Safcol, prepared an environmental analysis for the bid proposal
- Algoa Bay Oysters: prepared a business and financing plan and was successful in raising R2 million from the IDC for the client
- Women's Organization: For a Soweto-based women's group, assisted with internal organization to deliver on a commitment to produce garlic to a local supplier
- Agrichicks: conducted a due diligence review of this company, an integrated poultry processing business, owned by a provincial government.

Designed a dedicated investment fund to provide financing for privatisation transactions. Advise the firm on issues related to privatisation, monitoring and control of state-owned enterprises.

Executive Director (2001 – Present)
Serve as Executive Director of the PGI Group, which is a consultantcy specializing in enterprise development services. For each task, PGi assembles a multidisciplinary team suited to the needs of the project and typically performs a project management role. Recent engagements include:

- For the South African Department of Public Enterprises, assist in the drafting of the updated Protocol on Corporate Governance, as well as conduct training workshops for newly appointed directors of parastatal organizations;
- Provided corporate finance services for the merger of a local empowerment company in the waste management industry. The merged entity has a foreign shareholder and a potential of gaining substantial market share in Gauteng;
- Provided corporate finance advisory services for the acquisition of a Denel business unit;
- For the Microlenders Association coordinated a research project with two universities to obtain data on informal microlenders in three provinces, and produced the first broad-based statistical report on the industry;
- Prepared a report on the framework and utilization of employee stock ownership programmes (ESOP) in emerging markets for the South African Department of Public Enterprises. This report was the basis of a Cabinet Paper on the use of ESOPs in the local restructuring process;
- For a French company, undertake and coordinate a due diligence investigation of Apron services; also retained for bid proposal preparation;
- Conducted a due diligence investigation of Roshcon, a division of Eskom Enterprises; and

Designed and developed the website www.southafricaprivatization.com, which is an enterprise portal aimed at local and global firms that are interested in acquiring businesses or assets divested by the South African Government

Consultant (1993-1995)
Provide expert advisory and technical services to clients in the areas of public enterprise reform and control, enterprise development, and public and international finance. Clients include:

- Swaziland Ministry of Finance: advise on public enterprise control and capital market development
- Swazi Business Growth Trust: review and improvement of management information system; advise board of trustees on oversight, policies and procedures
- USAID/Swaziland: serve as short term "Policy Advisor" for implementation of a package of financial sector initiatives which include financial market regulation and improved fiscal management
- Francis Drummond Ltd.: assisted this Kenya-based stock brokerage to establish a Swazi subsidiary and launch Swaziland's first unit trust
- Coopers & Lybrand/USAID Zimbabwe: serve as Team Leader for a new activity design for a project to involve increased black economic participation through employee share ownership and management buyouts.

Director (1991-1993)
Ministry of Finance, Mbabane, Swaziland. Serve as the Director of the Public Enterprises Unit (PEU), a division of the Ministry which was established to control and monitor the activities of the nation's public enterprises. Initial duties involved developing a workplan, training staff, establishing a database of public enterprises' financial and other data, and issuing regulations to implement the law governing the PEU. Prepare quarterly and annual reports for Cabinet and Parliament. Other duties include providing training and technical assistance for public enterprises; development of corporate plans; monitoring the activities of boards of directors; development of performance contracts; and advising on restructuring, which includes privatisation, capital restructuring and liquidation.

Accomplishments include:

Monitoring Public Enterprises

- Designed and produced Swaziland's first comprehensive reports on public enterprises
- Established reporting standards and criteria for public enterprises
- Designed the financial model for determining the aggregate performance of public enterprises

Performance Contracts

- Developed and negotiated performance contracts with:
    - Swaziland Electricity Board
    - Posts & Telecommunications Corporation

Capital Market Development

- Designed and developed a public enterprise credit guarantee scheme
- Advised the Swazi Government on stock market listings
- Worked closely with Government and IFC on the development of the local stock exchange

Policy Formulation

- Advise Government in the following areas:
    - Privatisation
    - Regional economic affairs (SACU, CMA)
    - Investment promotion
    - Tax policy
    - Public enterprise control and policy
    - Business restructuring

Business Restructuring/Privatisation

- Liquidated one public enterprise
- Privatising the insurance company and establishing a regulated, competitive insurance market
- Advised on capital restructuring of NATEX, Swazi Meat Industries and SwaziCan

Additional responsibilities within the Ministry included design, installation and supervision of the computer network. Serve on board of directors for Swaziland Royal Insurance Corporation, Swaziland National Housing Board, Piggs Peak Hotel, Motor Vehicle Accident Fund and HVL Asbestos (Swaziland) Ltd.

Supervise a staff of five, as well as a number of consultants who undertake special engagements.

EDUCATION

B.A. Economics, Columbia University. Dean's List. 1968-1972

M.A. Johns Hopkins School of Advanced International Studies (SAIS).
Economics, African Studies and International Law.

Additional Studies: Philosophy (Oxford University); Accounting (UDC Graduate School of Business

DIRECTORSHIPS

Swaziland Electricity Board
Protea Piggs Peak Hotel
Swaziland Royal Insurance Corporation
HVL Asbestos Mining
Drummond Investment Fund
Swaziland National Housing Board
Swaziland Railway

BIOGRAPHICAL

Selected for inclusion in "Outstanding Young Men of America"
1978

Selected for inclusion in "Who's Who in the East"
22nd Edition (1989-1990)

REFERENCES

Provided upon request