



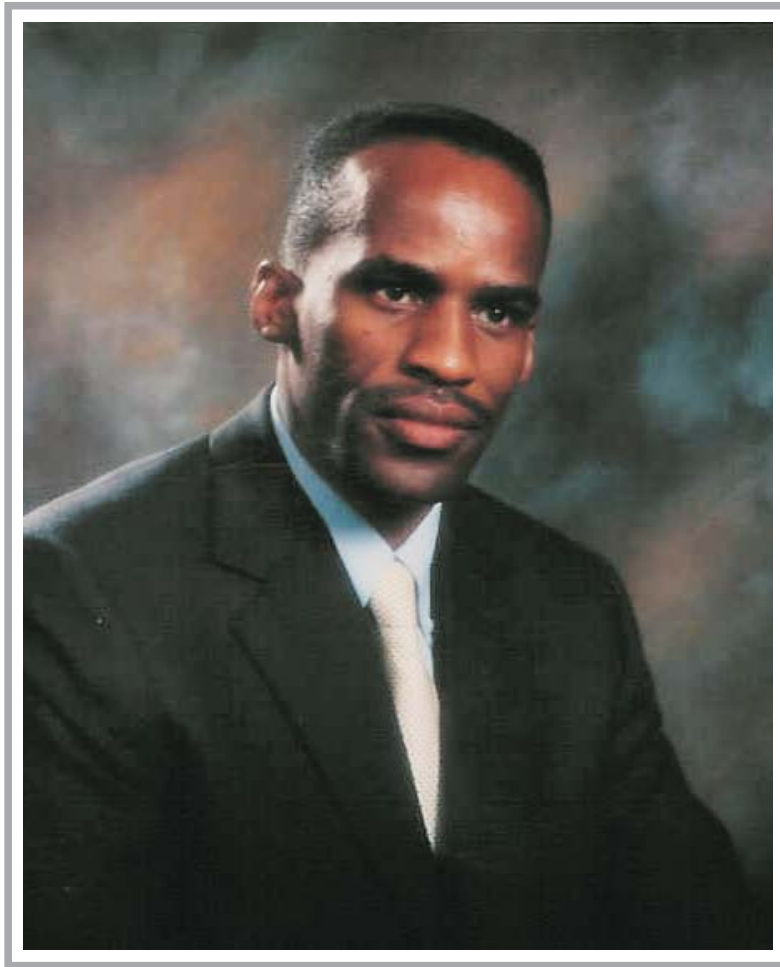
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RBN REVIEW

STATE OF THE RBN ADDRESS
19 FEBRUARY 2009

HM KGOSI: LERUO MOLOTLEGI

"Becoming a community of lifelong learners"



Delivered by *Kgosi Leruo Molotlegi*
on the occasion of the Opening of Supreme Council,
Royal Bafokeng Nation, 19 February, 2009

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1. INTRODUCTION

Today is the fourth annual Official Opening of Supreme Council in the Royal Bafokeng Nation. We set aside this day each year to assess, to plan, to analyze events upon our horizons, and to reflect on recent developments in the Bafokeng community. We consider what it means to be a small community with big plans, an enterprising community with a social agenda, a traditional and generational governance system aspiring to cutting edge capabilities within a modern democracy. Our aspirations, challenges, and paradoxes make our community what it is, and today is dedicated to expressing and uniting behind our collective goal: the empowerment and upliftment of our community and our country.

To all our special guests present with us today, a special word of welcome. Your attendance is a vote of confidence in our vision and our plans, and we regard you as important partners in these pursuits.

I wish to relate a story about someone in our community who came to my attention recently. His name is Thabo, he is 19 years old, and he lives in Lefaragatlhe. Thabo's circumstances are

not unusual in South Africa, but I believe his response to them, is. Thabo is the third of four children, and he loves mathematics. Thabo studied at Bafokeng High School, where he scored impressive marks in the Higher Grade Maths exam in 2007. Thabo dreamed of attending university after Matric, but was unable to secure a bursary. Instead, Thabo began tutoring maths students in his neighborhood for free, and volunteering at the Royal Bafokeng Institute. Thabo's father died in 2001, and he lost his mother just a few months ago. When Thabo was accepted to study mechanical engineering at Tshwane University of Technology this year, what should have been a cause for celebration really seemed more of a crisis. With so little money coming into the house, how could Thabo leave his brother and sisters and go off to study in Pretoria? With a strong belief in the power of education to transform lives, Thabo decided to devote himself to his studies, helping out at home however he can. Thabo began his studies at TUT this month, and in honor of Thabo, this inspiring and remarkable young man, and his family, I have chosen the theme "Becoming a Community of Lifelong Learners" for this year's RBN Review.

2. GLOBAL EVENTS

By anyone's definition, 2008 was a tumultuous year, and it is incumbent upon us to reflect on the implications of recent events for our plans and strategies in 2009.

Economic and political issues dominated the South African and global agenda in 2008. The events in the ANC that began in December 2007 at Polokwane gathered speed throughout the year and resulted in the dramatic recall of President Thabo Mbeki in September of last year. Kgalema Motlanthe became the third President of a democratic South Africa, and much debate and speculation has been focused on the status of our young democracy—its health, its maturity, and the independence of its judiciary. We hope that the launching of a new opposition party, the Congress of the People, will be a positive development in the country's evolution towards robust political debate and participation.

The xenophobic violence that plagued the country in May 2008 was a serious wake-up call for many regarding the vulnerability of foreigners living in our midst. Economic woes and poor living conditions led some to resort to violence, which led to a humanitarian crisis of international proportions and did untold reputational damage to South Africa. While the violence that swept the country passed over our region for the most part, the incidents nevertheless highlighted the role that foreigners play in our local economy, both legitimately as mine workers and illegitimately as unlicensed shop owners, and so forth. I spoke at this time last year of the challenges posed to the community by immigrants from other countries and I would like to reiterate my plea that we treat this issue with both sensitivity and seriousness.

The global economy slid into a recession in the second half of 2008, with consequences that continue to reverberate here and elsewhere.

According to the International Monetary Fund, fifty-one million people will have lost their jobs as a result of the economic crisis. One billion people around the world will go hungry this year, according to the United Nations. Although this year's global grain harvest is expected to increase by 5,4% over last year's, which was 6% higher than the previous year, fewer people can afford basic staples. This is due to rising food costs that are blamed partly on the growth of biofuels, and the increasing consumption of meat in developing countries such as China and India (where grains are often used to feed cattle instead of people). Although food prices have dropped sharply since mid-2008 in the West, these price decreases are not reflected in countries like South Africa, where the currency has weakened significantly against the dollar, in which international prices are set. Bank loans are increasingly difficult to secure, and so farmers cannot afford to buy the expensive fertilizers and seeds used by the large agribusinesses in developed countries, creating further pressure on domestic food supplies.

The global economic downturn and subsequent automotive industry slowdown has also affected the demand for platinum, to the extent that the commodity price slumped by over 40% in recent months. Share prices of Implats and Amplats, our main investee companies, have also lost value, and the overall value of RBH's investment portfolio decreased from R33,5 billion to R22,5 billion last year. The economic outlook for 2009 remains uncertain, and just as we didn't anticipate the full extent of the crisis, we cannot be certain when the global economy will begin to correct itself.

In the United States, the financial crisis has ushered in a new political regime. We now watch mesmerized as Barack Obama implements new policies borne of fresh thinking, not only for Americans, but also for those living in conflict

zones such as Afghanistan, Iraq and Israel/Palestine. President Obama's economic stimulus package promises relief for the American economy, but we hope it will also serve as a catalyst in other countries suffering from the banking crisis. American foreign policy has been a disappointment in recent years, but the new Secretary of State, Hillary Clinton, has vowed to place renewed emphasis on development and diplomacy, rather than relying solely on defense. If Obama's promise to pursue "sturdy alliances and enduring convictions" bears out, the United States may well devote renewed attention to Africa at a time when many areas of the continent, including Zimbabwe, Sudan, the DRC, and Somalia, require immediate intervention.

This, however, does not absolve African leaders from our responsibilities. We are the first line of defense against the predatory, inhumane, and unethical behaviors of our peers and colleagues and we must address our local and regional issues much more assertively than we have to-date if we want to gain the respect and cooperation of our global counterparts.

Further afield in the east, China and India, the two most important developing economies in the world, merit our continued attention. China's population, which now stands at over 1,3 billion, currently represents the world's fastest-growing consumer base. As such, one would have thought that China would serve as a buffer in the current economic downturn. But the truth is that China's economy relies, in large part, on purchasing raw materials from the Third World, and converting them into low-tech manufactured goods such as clothing and toys, which are then sold to the West. China's economic growth, fueled in part by a cheap labor supply, has slowed down due to

decreasing demand for goods in the West. Consequently China's need for raw materials has also declined, affecting countries like South Africa. In addition to platinum, the Bafokeng community produces chrome, palladium and other resources that are now no longer in high demand to the extent they were only a year ago.

India's economy is moving in a different direction. With a population of nearly 1,15 billion, India's population will likely overtake China's in the coming decades. India is targeting specialist, and in particular technical, education to produce people with skills that can be exported all over the world. India plans to build 550 technikons to teach these skills. There are already approximately 1,4 million Indian nationals working in the United Arab Emirates alone, comprising over 50% of that country's workforce. India's gross domestic product derives significant benefit from the remittances these foreign workers send home. Of course, the global economic crisis is also adversely affecting the number of jobs available to immigrant communities such as Indian nationals, and the decrease in remittances is having an impact on the families of these workers.

While the global economic crisis does not immediately threaten the RBN, it does force us to look carefully at our spending priorities in coming years. We will be devoting increased attention to measuring project performance, enforcing budgetary discipline, and adhering to our deadlines. We will also be looking for ways to leverage external funding partners for many of our projects, and these partnerships will no doubt come with even stricter parameters around planning, spending, and delivery, a challenge to which we will rise.

3 . I N V E S T M E N T S

Turning now to our investments as a community, I would like to highlight some of Royal Bafokeng Holdings' recent acquisitions, and offer a glimpse of some upcoming developments.

The R2.3 billion investment we made in Vodacom last year, as the company's lead BEE investor, was our first major entry into the telecommunications sector.

As most of you know, the bulk of our investment portfolio rests in mining stocks, and in particular in Impala Platinum and Anglo Platinum. We recently launched new mining operations related to our joint venture with Anglo Platinum at the Styldrift mine. This new venture is important to us in several ways. First, it will create 4000 new jobs by 2035 and provide corporate social investment initiatives to residents of Mafenya, Chaneng and Robega. Second, this R 10,3 billion

development represents a new frontier in the mine-investor relationship. RBH, as the major shareholder in this mine, will also take control of management and operations. While this presents certain challenges, it also offers real opportunities for us to pioneer new approaches to socially and environmentally sustainable mining operations that are motivated by our dual need for income and a clean environment for post-platinum generations of Bafokeng.

The RBH investment portfolio was not immune to the fluctuations in the global economy in 2008. Over the last year, the value of the portfolio rose from R33,5 billion to a peak of R43,5 billion, and finished the year at R22,5 billion. Although the net asset value ended the year lower than where it started, the long term performance of RBN's investments remains strong, with a 32% rise in value over the past three years.



4. TREASURY

The Group Treasury unit manages RBN budgets and monitors cash flow projections, which includes cash reserves, and facilitation of RBN equity investments. With effect from 2009, the unit will be tasked to secure third party funding for our social development programs. In addition, we have begun to develop a medium-to-long term plan and budget that identifies and aligns priorities for a 3-year spending cycle, as opposed to the current 1 year cycle. This longer term cycle will commence in 2010.

The Treasury Department is engaged in discussions with National Treasury and SARS to change the VAT legislation, to VAT-exempt communities that perform functions that would otherwise be performed by government. Municipalities are entitled to claim back from SARS any VAT paid to contractors or other service providers. The RBN, by contrast, is not allowed to claim VAT refunds on the money it spends on social and infrastructural improvements. We will report on developments and outcome of this engagement.

The new budget cycle sees the Supreme Council giving final Budget approval in September, three months before year-end. This immediately allows for the procurement and tendering processes to begin, in advance of the following spending year. This new cycle requires Supreme Council to engage consistently with the community to identify priority areas, per Vision 2020's strategy. The RBA's inability to spend, as result of outdated procurement policies, a small procurement office and slow delivery from our SMME's, amongst other reasons, has been a major issue. In 2006, we spent 34% of our capital expenditure budget, 64% in 2007, and 66% in 2008. The new budget cycle is designed to address all these challenges.

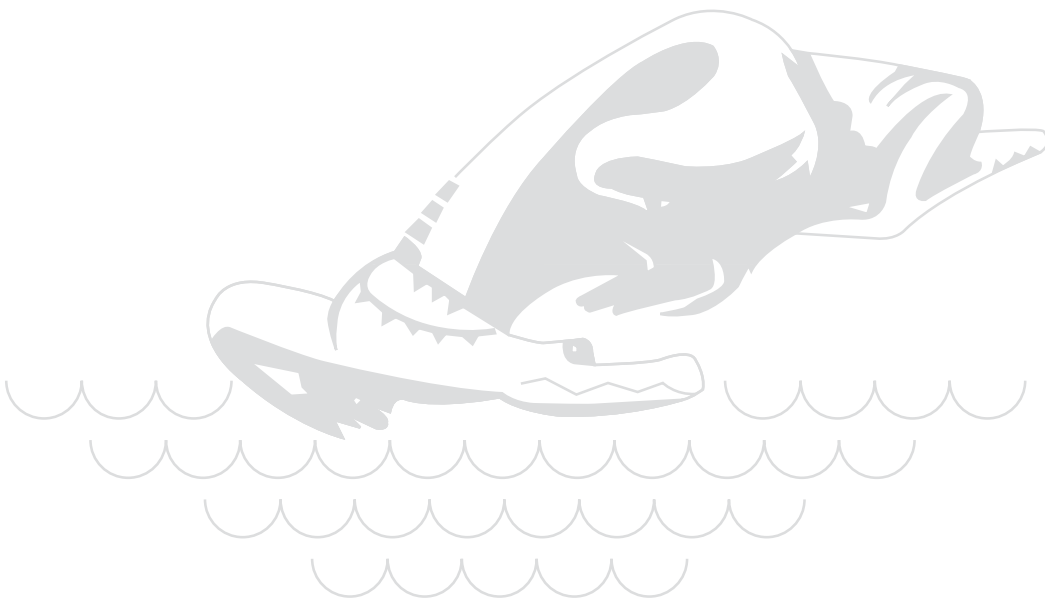
The budget for financial year 2009/ 2010 stands at R1,192 billion. This represents an increase of R313 million (approximately 40%), from the R763 million approved in 2008. The increase reflects significant capital expenditure, including R200 million for the construction of the school of excellence (17% of the total budget), capital rollovers from 2008 of R54 million, two new overpasses on the western bypass totaling approximately R60 million, and the RBN's annual contribution to the Impala Bafokeng Trust of about R20 million.

In terms of focus areas for the 2009 budget, social and community projects and infrastructure projects represent 41% of the budget. Educational projects account for 29% of the budget, sports for 11%, support functions for 9%, health and social development services 4%, and security together with economic development accounting for 3% each. The total budget is determined by a formula designed to maintain the overall asset base, while allowing for sufficient spending to develop the community. In terms of this formula, the 2009 budget of R1,192 billion is within the affordable margin of the asset base.

The budget for 2010 will be significantly lower, as a result of challenging economic conditions. However, as I speak, we have begun working on the 2010 three-year budget, which will be tabled before Supreme Council in September 2009.

The RBN group Annual Financial Statements were presented to, and approved by, the Supreme Council on 9 October 2008, and signed off on 13 October 2008. An unqualified (clean) audit was issued for the second consecutive year by PricewaterhouseCoopers Inc, on 16 October 2008. This is a significant achievement for the Group Treasury and Finance Departments and once again, I congratulate them for their sterling work.

As I mentioned earlier, national and global financial developments require that we increase our strategic leverage and identify additional external funding mechanisms. These are positive steps towards improving our financial disciplines, and engaging with a widening range of financial entities. However, we would have moved in this direction irrespective of the global economic situation. I call upon all of you to be prudent in using our resources, it is simply the right thing to do.



5. RBN CHALLENGES

In addition to the implications of the global financial crisis, we face a number of challenges unique to our own context, and it is to these issues that I now turn. The RBN community, administrative entities, and businesses have expanded significantly over the past few years. As we reach outward as a community and as an enterprise, it is vital that we have a clear understanding of our identity, our values, and our message to the world. As an enterprising community with a social agenda, we subscribe to the tenets and standards of the professional business world, but we regard the upliftment of our own people as our highest priority. By expressing "perseverance", "innovation," and "strong leadership" as some of our values, we underscore the principles that have allowed us to prosper over time, as well as those we strive to live by. By making socio-economic and environmental sustainability our goal and our message to the world, we give ourselves and our audiences a benchmark by which to gauge our progress and achievements.

5.1 Communication

Although we have come a long way in identifying who we are and what we stand for, we have not communicated these things consistently to our internal and external audiences. To that end, we've just launched a major overhaul of the RBN's communications infrastructure, in order to expand and improve the ways in which we communicate. This process will look at the RBN brand in its entirety and set guidelines to maintain and grow the brand. We will appoint official spokespeople to represent the RBN to the news media, and we will establish a repository of materials produced, authored, or invented by Bafokeng, living and past. I call on all Bafokeng to archive their creations and productions in this repository, whether it's a song you've composed, a book or a dissertation you've written, or a work of art. We intend to

preserve and exhibit the work in a Bafokeng contemporary history museum, sometime in the near future.

Together with the communications overhaul, we are also launching a project to develop and implement a unique Bafokeng design language. This will be a set of principles, motifs, and emblems based on our identity and values, which will be communicated through our physical built environment. It is my long-held dream that through housing, public facilities, and monumental architecture, as well as through everyday things like food and clothing, Bafokeng identity will be made tangible through the creation of a distinct sense of place. We have such a proud and distinguished history, and it is my hope that this history can come alive for each and every one of us through our material culture. Some highly creative and visionary people are working with me on these projects, and I look forward to announcing some of their products in the near future. In all these endeavors, we will preserve our culture.

5.2 Leadership

Turning now to leadership, I want to emphasize the important role that leadership plays in the fulfillment of all of our goals. Without effective leadership at every level of our work, home lives, schools, churches, and clinics, we cannot hope to break free from some of the outmoded patterns that hold us back from achieving greatness. Leadership can be understood as the way in which leaders inspire others to act on the challenges they face, as well as the perspectives and values that inform their own actions. The Leadership Project began its work in early 2008. It has engaged people throughout the community, in workshops, projects, and standing committees.

The project seeks to develop stronger leaders at the local level, and to empower those leaders to confront problems in their communities. It is inspiring to learn of the considerable energy the project facilitators have found waiting to be unleashed by this program. Teachers, priests, health officials and other local leaders have seized on this project to drive social and economic development at the community level. This newfound positive energy has forced the project to redesign its aims and curriculum to keep pace with the people's dreams.

As part of the process of revitalizing our traditional governance structures, hard skills are being disseminated to dikgosana, for example: how to run meetings and make presentations, understand group dynamics, get technical updates on land issues, South African law, climate change and environmental knowledge. This is all part of becoming a community of lifelong learners.

This project is showing a significant impact on our individual capacity as leaders, as well as our collective capacity to improve our communities. As I did a year ago, I urge you to participate fully and wholeheartedly in this initiative, and to use it as a launchpad for the concerns and issues in your respective regions and villages.

5.3 Governance

The Bafokeng governance structure remains one of our most important trademarks as a community, and is thus always an area of focus and scrutiny.

5.3.1 Supreme Council

The Bafokeng Supreme Council serves as our legislature, a body where deliberation takes place on matters of highest importance to the community. Our long term vision, our planning priorities, and our annual budget are all decided by this group of 84 men and women who are elected, appointed, and entrusted by the community they serve. The 72 headmen who comprise the Council of Dikgosana are hereditary heirs to the role, and

each one governs a lekgotla, or ward. The 12 members of the Traditional Council are elected and appointed officials who represent the developmental needs of the five Bafokeng regions, and the community as a whole. This year, an additional five members from each region, comprised of Bo-Mma Dikgosana and appointed by the Office of Kgosi, will become part of our Supreme Council. We rely heavily on Supreme Council's ability to consider and reflect on complex problems, to weigh alternatives and choose wisely, and to serve as effective communicators between the administration and those living in the villages.

However, Supreme Council has not been effective in carrying out its mandate for several reasons, and as such, the following corrective measures will be taken.

The Supreme Council structure will change this year, to enable it to focus more effectively on the components of our development plan, as well as to take more direct responsibility for these areas. Sub-committees will be established around the eight areas of Vision 2020, and each member of the Supreme Council will sit on one of these sub-committees. They include:

- 1) Education and skills development
- 2) Health and welfare
- 3) Safety and security
- 4) Sport and recreation
- 5) Infrastructure and land use
- 6) Environmental management
- 7) Treasury and economic development, and
- 8) Bafokeng history and heritage.

These sub-committees will be paired with the departments or entities responsible for each operational area. An oversight committee, comprising the heads of these seven committees, which I will chair, will meet on a regular basis to review our progress.

Furthermore, every year, a workplan based on the goals of Vision 2020, and aligned to a 3-year strategic plan, will be approved. Very clear targets

will be established with regard to projects, budgets, and timelines. It will be incumbent on these new sub-committees to identify the specific needs of the community, articulate particular areas of urgency, and communicate the progress of ongoing projects effectively to the rest of the community through makgotla, Dumela Phokeng, and kgotha-kgothe. By means of these sub-committees, Supreme Council will be able to spend less time on procedural issues, and focus its efforts on decision making and the strategic oversight of the approved plans.

5.3.2 Dikgosana

Turning to matters related to our Honourable Dikgosana, I have declared that all dikgosana must acquire a formal educational qualification by the year 2020. This can be a diploma in design or a doctorate in economics, but it is essential that the skills, discipline, exposure and content knowledge acquired through formal study be applied to the complex task of governance. If we are to become a community of lifelong learners, our headmen must lead the way.

In 2008 I instituted a Commission on Bogosana to undertake research and verify orders of succession for all 72 of our Honourable Dikgosana. The Commission has tabled recommendations to my office in several cases where there are succession disputes. The succession path of each Bafokeng lekgotla has been recorded, some dating to before 1900. Family trees of all Bafokeng makgotla have been tabulated to prevent succession disputes going forward. To this end, we will be producing an order of succession for each lekgotla that names the current successors to the role, enumerated to the 11th person. In addition, where a headman can no longer serve due to illness or infirmity, his successor must be prepared to take over. In the course of births, deaths, and marriages, this register will be updated as necessary.

Third, certain benefits will be introduced to create better work and living conditions for the work of

our Honourable Dikgosana. Medical aid and pension benefits will be introduced, as well as a plan to give the best educational opportunities to the next generation of leaders. The Council of Elders, comprised of those who have retired from the post of kgosana due to ill health or infirmity, will also enjoy these same benefits.

5.3.3 Makgotla

In line with the professionalization of our corporate entities, changes have been made to our makgotla structures to enable them to carry out their administrative work at the village level. The new makgotla regulations have been approved by Supreme Council and workshopped within the five regions. In the first quarter of 2009, all the makgotla executive committees will be reconstituted in line with these new regulations. In addition to these procedural issues, it is important to emphasize that makgotla are the principal village-level forum where community members communicate with their leaders. On the one hand, this means that those people with concerns or proposals regarding enterprise development, environmental issues, or questions about health and education should bring these matters to makgotla, instead of seeking alternative paths. On the other hand, it is incumbent on the dikgosana and their committees to ensure that everyone is heard in these forums.

Finally, we must continue to educate ourselves through our work, not only by staying abreast of local issues, but by reading and going on fact-finding missions. Last year our travels took us to the United States to explore the latest approaches to dryland agriculture, to Bishops school in the Western Cape to see educational excellence in action, and most recently to a celebration of the inauguration of President Obama in Johannesburg. We will undertake more such learning journeys this year, which will include a visit to the national parliament in Cape Town.

Decades of disregard have left many of our elders without pride or purpose. If we are to achieve

Vision 2020, we must have leaders at the local level who are skilled, committed, ethical and very broad in their analytic perspectives. Towards the goal of creating a group of well-educated future leaders broadly versed in local, regional and global issues, it is my intention to provide bursaries for the children of leaders of communities adjacent to the Bafokeng to study at Lebone II, College of the Royal Bafokeng from Grade R to Grade 12. This should produce a whole cadre of new leaders well equipped to lead this region and this country through the coming decades. The changes envisioned in Vision 2020 will be the product of wise and well-prepared leaders, and so we must start now with the children of our own and neighboring leaders to pave the way for a sustainable future.

5.4 Administration

The Royal Bafokeng Administration is the engine room of the Nation's work of providing basic services to the Bafokeng community. Home to the Infrastructure and Planning Department, the RBA is the heart of the Bafokeng Masterplan, an ambitious plan to transform the built environment of the Royal Bafokeng Nation. The Masterplan will take several decades to achieve, but the foundations are being laid today for the buildings, services such as water and sanitation, and community facilities of the future. The Royal Bafokeng Sports Palace, a water-borne sewage system, and the new Lebone II are all major projects housed in the RBA, and the Administration's reputation rests, in large part, on our ability to deliver these projects as planned and on time.

The Health and Social Services department is also housed within the RBA, and represents another crucial component of our work. These two critical departments are supported by business service departments including IT & Knowledge Management, Finance, Human Resources, and Procurement. OPSCOM, or the Operations Committee, was established in mid-2008 to

monitor the "back office" aspects of our work, and to take corrective measures when things are not working smoothly. A Project Monitoring Office (PMO) will be established in 2009 to monitor the progress of all projects in the RBA, enabling OPSCOM to intervene rapidly and decisively when targets are not being met.

The RBA's expenditure pattern has been a major concern for some time now. The best we've ever done on spending our capital expenditure budget is 66%. This is part of the reason for the establishment of OPSCOM, which led an audit of the entire spending chain, from planning and budgeting right up to the delivery of goods and services and payment of suppliers. An updated procurement and tendering process has been implemented recently, including a clear statement of our first principle in the procurement process, namely "the efficient, effective procurement of high quality assets, goods and services for the RBN and its administrative agencies." We remain sensitive to the goal of awarding tenders and procuring services from local SMMEs, but we will not compromise quality, price, or time in the process. Henceforth all building contractors awarded tenders by the RBA either above a certain amount or of a given complexity, must possess the necessary CIDB grading. Our progress in terms of our ability to spend effectively will be closely monitored and reported on at regular intervals.

The search for a CEO for the RBA, as well as other senior positions (including a Civil Engineer to head the Infrastructure and Planning Department) continues and we intend to have a fully staffed and high powered management structure in place before the end of the first quarter of this year.

5.5 Safety and Security

Few areas are as critical or cross-cutting in the life of the Bafokeng Nation as safety and security. Feeling safe to go about our daily routines, having

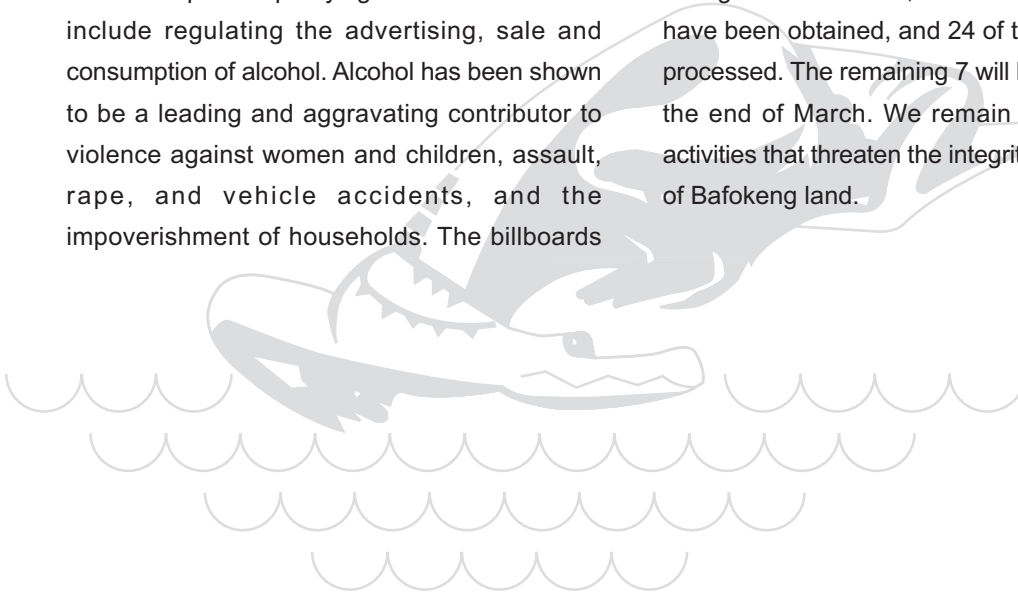
the freedom to welcome strangers or explore new places, and having the peace of mind that our homes and families are secure are all fundamental to achieving the goals we have set for ourselves. We cannot attract investors to a crime-ridden community. Visitors and tourists have choices, and they will avoid places that represent undue risk. Reducing crime and creating a safe environment for all is thus one of our highest priorities in the short, medium and long term.

Socioeconomic issues are root causes of many of the safety and security challenges we face. Poverty, unemployment, and the heavy influx of people are all complex problems that will require sustained effort on our part. Other safety and security issues are easier to target, and these will be at the top of our policy agenda for 2009. These include regulating the advertising, sale and consumption of alcohol. Alcohol has been shown to be a leading and aggravating contributor to violence against women and children, assault, rape, and vehicle accidents, and the impoverishment of households. The billboards

that relentlessly advertise alcohol to people of all ages throughout our community will be the focus of special scrutiny this year. By taking a strong stand against this social poison, we will be addressing many problems simultaneously.

Road safety is another challenge to be addressed. With new roads and increasing numbers of visitors, it is imperative that we enforce laws pertaining to speed limits, the condition of vehicles on the road, overloading, etc. There is no excuse for pedestrians and drivers dying on our roads due to poor driving.

Illegal use of Bafokeng land remains a challenge. Last year I announced the formation of a special Land Unit to investigate and take action against transgressors. To date, a total of 31 Court Orders have been obtained, and 24 of those have been processed. The remaining 7 will be processed by the end of March. We remain vigilant against activities that threaten the integrity and lawful use of Bafokeng land.



6 . F I F A 2 0 1 0 W O R L D C U P

The FIFA 2010 World Cup is a little over a year away, and our preparations are in full swing. We are presenting the upgraded Royal Bafokeng Sports Palace to FIFA this month, and we will officially relaunch the stadium in March 2009. The initial estimates for the stadium upgrade stood at R280m, however, due to additional FIFA requirements as well as dramatic increases in steel and cement, the figure now stands at R460m. This project is jointly funded by the RBA and government, and we extend our gratitude for the 40%, or R182m, funded by government.

Furthermore, The NW Provincial government and Rustenburg Local Municipality are funding the ring road around the stadium and the western bypass around Phokeng, all of which are FIFA 2010-related projects. These new routes make it easier for visitors to come to our community for education, tourism, and meetings. Building these roads will necessitate the relocation of several houses, but this will be done through consultation

and with adequate preparation for suitable alternatives for those affected. The new stadium will host the British Lions Rugby tour in May of this year, as well as four matches in the Confederations Cup, starting in June. In short, the Sports Palace is now a major venue for national and international sport in South Africa. I hope you will take every opportunity to support our local and national teams, and attend other events hosted there.

The 2010 World Cup is not only a once-in-a-lifetime opportunity to bring a global sporting event to Phokeng. It is also a chance to develop sustainable activities in our schools, businesses, the community and the region for years to come. A 2010 planning coordinator is now in place, but relevant departments, schools, clinics, local businesses and leaders must also embrace the task of making the World Cup a catalyst for growth and exposure for the whole community.



7. ENVIRONMENT

We now turn to the issue of protecting and restoring our natural environment. A Strategic Environmental Assessment (SEA) was launched over a year ago, the findings of which will influence strategic decisions around environmental and other sustainability issues. The "State of the Environment" report includes detailed information about our water and air quality, waste management practices, biodiversity and ecological systems, current land use practices, extent of land degradation, and landscape and visual character. Areas in need of urgent attention include poor surface water quality, poor air quality and the lack of waste management. The Landscape and Visual Character report identifies the key natural landscape and visual components in the RBN that create an aesthetically pleasing environment. We regard the landscape character and visual environment as significant for the future development of the region to ensure the conservation of visual integrity, to promote tourism and finally, to preserve the living culture of the Bafokeng people.

Mining waste and the rehabilitation of tailings dams continue to represent major challenges to the Bafokeng community, both now and in the post-platinum future. We have begun to enlist the help of the mines in making serious efforts to mitigate the negative effects of mining. Given the extent of Bafokeng land being leased to mining operations (nearly 50%), our plan will address the means of converting this land back to productive uses, such as agriculture, housing, or other kinds of economic development, once the platinum runs out.

Environmental awareness programmes will be rolled out in our schools this year. We began last year by engaging students in litter collection and giving them an understanding of the importance of recycling. This year we will continue to educate our learners about renewable sources of energy, the importance of safe and effective solid waste disposal, and the processes and effects of climate change.

8. ECONOMIC DEVELOPMENT

Our 2008 household survey indicated that 40% of people living in the Royal Bafokeng Nation spend less than R582/month, and that the number one cause of poverty is unemployment. While becoming a community of lifelong learners is a part of the long-term answer to this problem, the short term need to create jobs remains a challenge. The former Local Economic Development Department of the RBA is now Royal Bafokeng Enterprise Development, a subsidiary of RBH. Located in the Bafokeng Plaza, RBED will meet the developmental needs of new businesses through a service provider, The Business Place. As our locally owned businesses become established and well-run, they will be added to The Platinum Club, a list of preferred Bafokeng suppliers that mines and local industries can readily access. In addition RBED staff will be seconded to select partner companies such as Impala and Amplats to serve as "business linkage managers", facilitating the procurement of goods and services for these companies from our local entrepreneurs.

Beyond accelerating the growth of small business, we will create jobs by stimulating economic sectors like tourism and agriculture. With the eyes of the world on us as a sporting venue, we have an opportunity to create attractions for visitors to enjoy, such as monuments and museums, as well as more options for accommodation and eating. Agriculture is our economic heritage, the one thing that brought our ancestors to this region in the first place, but we have neglected it in recent decades. As a source of food, and a source of livelihood, crop farming and livestock ranching are important aspects of our cultural heritage that we need to revive and expand. As such, we have engaged both local and international expertise to formulate an agricultural Masterplan for our region, which will assist small commercial farmers in accessing the business, marketing and distribution networks they require. In the next two years, we aim to see school vegetable gardens flourishing, and eventually supplying our school feeding program with fresh produce. Most importantly, the acreage of Bafokeng land under agricultural production must steadily increase.

9 . E D U C A T I O N

Education is in trouble in South Africa. Rated the worst country in the world in numeracy and literacy on the TIMSS (Trends International Maths and Science Study) standardized test, and with a 50% drop out rate at university, South Africa is not fulfilling its promise to provide high quality affordable education to every child. It may be useful to understand this from an international perspective. The countries ranked highest in the world for academic performance, such as Singapore, Finland and South Korea, recruit teachers from among the top 10% of university graduates. In South Africa, only the bottom 5% of graduates apply, implying that teaching is the profession of last resort. Top students are actively discouraged from becoming teachers. In the RBN, we understand that the quality of our education is directly related to the quality of our teachers. For this reason we have entered in direct negotiations with the Department of Education and teachers' unions to sign a Memorandum of Understanding that will empower us to develop public/private partnerships in our schools, with shared responsibility for the management of teachers and principals.

Lord Henry Brougham once said "Education makes people easy to lead, but difficult to drive; easy to govern, but impossible to enslave." This is a powerful statement about the importance of education in our lives and in the life of our community. Many of us have suffered the injustices of apartheid, the humiliation of racism, and the feeling of desperation that comes from living in poverty. However we can no longer blame our problems on those unfortunate legacies of the past. As Lord Brougham suggested, education immunizes us against exploitation, manipulation, and despotism. This is why Vision 2020 places education at the centre of its objectives and strategies, and why we talk about the need to become a community of lifelong learners.

Yet not every building with classrooms is a school, and not every adult wielding a piece of chalk is a teacher. When I speak of high quality education, I'm referring to schools that are places of order, safety, and purpose; that understand the needs of different kinds of learners. When I speak of educators, I'm referring to men and women who possess in-depth knowledge of their subject and a solid foundation in the techniques and methods of classroom practice and a true love for children and for learning. High quality education means understanding and addressing the needs of the whole child: material, nutritional, emotional, intellectual, and spiritual.

The Royal Bafokeng Institute, established in 2007, will continue to work towards these goals in the 55 schools on Bafokeng land, plus 10 more in adjacent communities where many Bafokeng children are enrolled. Lebone II, our independent school, will continue to serve as a model for educational excellence and a "teaching hospital" where teachers, learners and administrators from other schools can observe and participate in educational best practices. This includes the comprehensive screening of foundation phase learners for problems in speech, vision, and hearing. Many of the students commonly regarded as "learning disabled" have simple physiological problems that, if addressed early, pose no threat to normal learning and academic achievement.

In the area of Mathematics, RBI's work has resulted in 30 teachers obtaining the technology and skills to present the new maths curriculum to 2500 learners in 15 schools. In 2007, 159 matric students in our schools passed mathematics. In 2008, as a result of our aggressive interventions, this number increased by 70% to 270. Maths opens the door to fields including medicine, engineering, commerce, finance and natural sciences. If we are to emerge from the poverty

that enslaves us at present, the only truly sustainable strategy is to educate ourselves to occupy the roles and functions that society places the highest premium on. High quality education lights the path towards that goal.

It is worth mentioning that, although the Bafokeng bursary scheme has provided funds for over 5000 young people to attend university over the past 35 years, the return on that investment remains unclear. We invest nearly R50 million a year in these young people, and it is time we all took this endeavor much more seriously. First, students applying for assistance with university fees must understand that this assistance comes in the form of a loan, which must be repaid. Repayment starts the day the loan is approved. Second, students cannot attend any programme they wish at any institution. A list of six accredited universities, including the University of the North West, Wits, and Tshwane University of Technology has been established, and arrangements have been made on all of these campuses to monitor and look after our students there.

Third, loan recipients and their families must understand that the loan will be revoked in the case of academic non-performance or behavioral misconduct. Alcohol abuse and recreational use of narcotics is not a normal part of the university experience. It is dangerous and destructive and students caught abusing alcohol or doing drugs will be expelled from the loan scheme.

Fourth, those students who successfully complete their degrees will have the opportunity to enroll in a new program called "Teach for Kgosi." This program is modeled on a program called Teach for America which encourages young university graduates to spend a year or two teaching before entering other professions. Young, energetic and knowledgeable adults thus spend time transferring skills and enthusiasm to learners in our primary, middle, and secondary schools, and we cancel a portion of their loan in the process. Normally, Teach for Kgosi participants will not have teaching credentials at the outset, and must therefore enroll in teaching certification courses while they teach

full-time. This is therefore a rigorous teaching apprenticeship that benefits the university graduates as well as the learners in our schools. The graduates are allowed to pay back a much smaller share of their loans, and they gain valuable work experience while being mentored by experienced professionals. This program is being launched this year at Lebone II, where John Mosime, the first Teach for Kgosi participant is teaching Geography and Life Orientation. John has a BSc in Town Planning and GIS from the University of Pretoria, and plans to enroll for an Honours Degree in Human Geography next year. The program will expand to other Bafokeng schools in the near future.

In 2006, I took the decision to overhaul Lebone II and turn it into a school of global excellence, both in terms of the physical facility as well as the academic programme. Apparently, some in the community feel that we are attempting to create a bastion of privilege amidst a sea of poverty. Nothing could be farther from the truth.

In order to achieve our educational goals, each and every school in our area must subscribe to the absolute highest standards, seek out and hire the very best teachers, offer our learners the very best materials and techniques, and demonstrate effective management. But how many of us have had the chance to visit and observe such institutions? How many of us have actually benefitted from a world-class education? The answer, most unfortunately, is very few. World class education is all too often reserved for the privileged, the people of means, those with the right connections. So it is understandable that some of you would assume that if we are truly going to create a world class educational institution in Lebone II, it's going to be an elitist place that will not benefit the vast majority of Bafokeng. But that's where you would be mistaken.

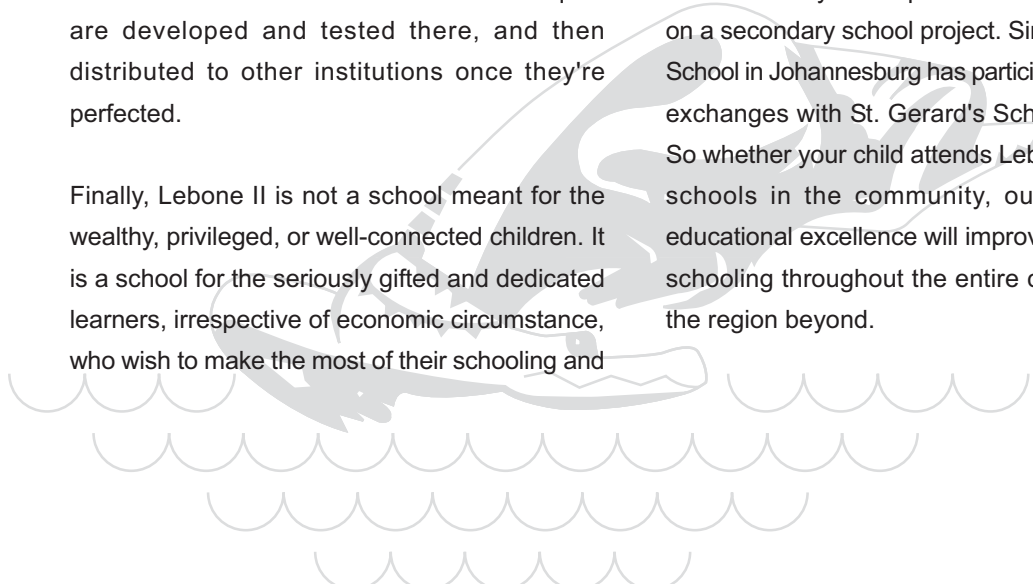
By creating a school with the very best facilities, the finest teachers, and the most well-managed administration, we are first and foremost establishing a new benchmark for education in

this part of South Africa. Schools all across the North West will compare themselves to Lebone II, thus raising the standard throughout the Province. Second, the staff and leadership of Lebone II are tasked not only to run a world class school, but to extend their expertise to each and every school in our system. One of RBI's main roles is to see that models of excellence and best practices are shared with all our schools. Hence, as Lebone II develops new ways to offer mother tongue education in the first four grades, these techniques will be extended to all our primary schools. As they integrate music and drama into all the learning areas, music teachers from all our schools will be invited to participate and learn. Lebone II is a teaching hospital for educators the way Pretoria Academic is a teaching hospital for doctors: the best and most advanced techniques are developed and tested there, and then distributed to other institutions once they're perfected.

Finally, Lebone II is not a school meant for the wealthy, privileged, or well-connected children. It is a school for the seriously gifted and dedicated learners, irrespective of economic circumstance, who wish to make the most of their schooling and

their lives. We intend to attract students from different backgrounds to Lebone II as well, with the ultimate goal of enrolling 70% Bafokeng learners, and 30% non-Bafokeng. As I said earlier, I will reserve a select number of spots at Lebone II for the children of neighboring Dikgosi, for I view Lebone II as an incubator for the future leaders of this region and this country. The better our preparation and exposure to the world of ideas, the greater our chances are of uniting the leaders of this region to work for a sustainable future. May our new school illuminate the dreams and aspirations of the entire nation.

We envision other centres of educational excellence pushing us towards our educational goals as well. We are making plans with Bishops School for Boys in Cape Town to partner with us on a secondary school project. Similarly, Rodean School in Johannesburg has participated in several exchanges with St. Gerard's School in Kanana. So whether your child attends Lebone II, or other schools in the community, our program for educational excellence will improve the quality of schooling throughout the entire community and the region beyond.



10. HEALTH AND SOCIAL DEVELOPMENT

Turning now to the issue of health, we are confronting a serious crisis in providing an effective health service. Members of the Bafokeng community suffer from a lack of access to clinics and qualified doctors and nurses in our twenty-nine villages. To address these problems, several projects are underway to improve the health infrastructure of the RBN, including the renovation of four clinics by June of this year. These renovations are taking place in clinics in the Capital and North regions, in anticipation of additional healthcare needs during the 2010 FIFA World Cup.

A subsequent phase of renovations will take place in clinics in the Southeast, Central and Northeast regions, to be completed by the middle of 2010. Meanwhile, mobile clinics will be extended from one visit per village per month to one visit per village per week. Additionally, a transport service to drive patients between the clinics and the Health Centre and hospitals as needed, seven days a week, will be implemented.

Through a Memorandum of Understanding with the North West Department of Health, we will be employing 36 new health professionals, including doctors, social workers, nurses, assistant nurses, dieticians, physiotherapists, occupational therapists, audiologists, clinical psychologists, administrative clerks, health promoters and cleaners. Aurum Institute, a healthcare consulting company, will manage these staff for the next two years, after which the RBN and the North West Department of Health will jointly review the arrangement.

HIV/AIDS remains a major challenge in the RBN. The rate of testing and treatment must be increased dramatically. Anti-retro viral treatment is now available at the Phokeng Health Centre, which means people no longer need to travel to

Rustenburg to obtain their ARV medicines. A vehicle equipped to test for HIV, TB, and conduct CD4 counts for people with HIV will be launched by the RBN this year to improve the number of people testing, and starting treatment if appropriate. In addition, a wellness program focused on HIV/AIDS in the workplace will be launched in the near future.

There are thousands of orphans in the RBN. Many of these children rely on handouts from relatives and neighbors who are themselves struggling. Two centres serving orphans and vulnerable children have recently been renovated in Chaneng and Rasimone. These centres provide support to children not living in extended family units. The school feeding program scheduled to be launched this year will also cater for the nutritional needs of orphans and vulnerable children after school, and during weekends and public holidays. The health and social issues affecting our youth are a major concern, and several steps are being taken in this regard. First, we are testing a feeding program in several of our schools this year. Our aim is to provide a nutritious meal to every child enrolled in a Bafokeng schools. In the next two months, we will launch the pilot feeding programs in 5 schools to test our menus, delivery methods, and financial models. This is an exciting and important development, and I urge you to be patient as all of our schools are brought into in this program.

Second, we are designing programs to engage young people in fun and healthy activities. We have broken ground on a Teen Centre in Luka that will be run and staffed by LoveLife, a global organization for youth. Young people will soon be welcome to spend their afternoons and weekends at the Centre participating in sport, the arts, health-related activities, etc.

Third, we have made sport a focus for youth development in the Bafokeng community. Through our five sporting codes: soccer, athletics, netball, rugby, and martial arts, we intend to involve over 10,000 young people in organized sport by the year 2010. Samba Soccer has enrolled over 5,000 girls and boys in soccer teams throughout the Nation, culminating each year in the King's Cup tournament. Our martial arts programme has taken on approximately 1,200 boys and girls, and we are consistently winning medals at provincial and national events.

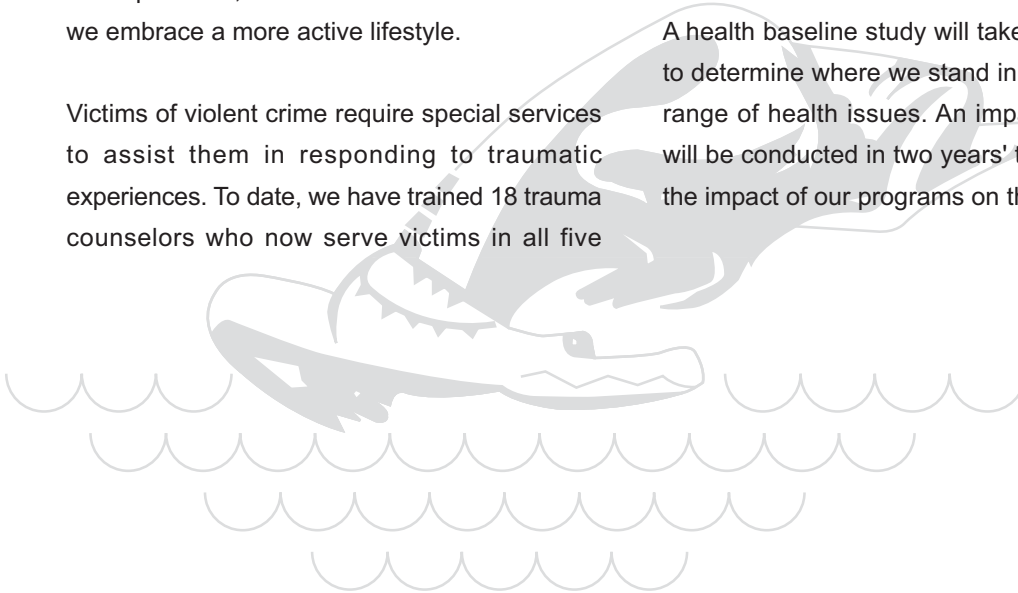
I look forward to the day when physical fitness and team sports are part of each and every school program in the RBN. Many of the health issues we battle as a community-sugar diabetes, high blood pressure, heart disease-can be avoided if we embrace a more active lifestyle.

Victims of violent crime require special services to assist them in responding to traumatic experiences. To date, we have trained 18 trauma counselors who now serve victims in all five

regions. Trauma and forensic services are now offered together at the trauma unit at the Phokeng Police Station. Satellite units will be established in each region in cooperation with the Leadership Development Project and Bafokeng governance structures.

Abuse and neglect of the elderly, the disabled, and the sick is all too common. Social clubs for the elderly have been established in all Bafokeng regions. A database of the most frail and those living alone is being compiled to enable us to better care for the needs of our elders. Another database of people with disabilities has been established, and strategies to enable these people to live as independently as possible are being formulated.

A health baseline study will take place this year to determine where we stand in terms of a wide range of health issues. An impact assessment will be conducted in two years' time to measure the impact of our programs on these issues.



11. SPORT

Through Royal Bafokeng Sports, we have devoted significant resources to the development of professional, club, and community-level sport. Additionally, we continue to support various commercial events that will bring greater attention to the Bafokeng region.

From an educational point of view, it is well documented that physical activity enhances mental activity (*mens sana in corpora sana: a healthy mind in a healthy body...*). The confidence a six year-old boy gains from scoring a goal on the soccer field can translate directly into that boy taking greater risks when it comes to learning Science or Maths. Learning to swim a full length of a pool or running five kilometers can help give young girls and boys the self assurance they need to respect and protect their bodies as they grow into adulthood. Leadership, teamwork, strategy, patience, and perseverance are all examples of skills and qualities honed through sport, and the best part is, sport is something that young people engage in willingly and enthusiastically.

In terms of economic development, sport is another sector, like tourism and agriculture, where we will establish a niche and create both jobs and revenue for our communities. The upgraded Royal Bafokeng Sports Palace will employ approximately 20 people with additional services outsourced to contractors, the vast majority of them being Bafokeng. The Bafokeng Sports Campus is currently under construction and is due for completion at the end of 2009. It includes a 60-room hotel, a training academy for talented sports learners, as well as a new clubhouse for Platinum Stars. It will offer additional employment opportunities for our people.

The Samba Soccer program has certified a number of community members as youth soccer coaches, giving people skills that can be marketed anywhere. The integration of sports-in-schools

program (ISIS), currently in its planning stages, will allow us to hire approximately 100 people to coach and coordinate school-level sport. The new sports facilities we're planning to construct in the five regions over the next two years will also require staff to secure and maintain the grounds. In other words, by the end of 2009, we will offer direct employment in our sporting programs and facilities to at least 500 people, and indirect economic benefits to many more.

On the revenue side, the rental of our sports premises, including the new Bafokeng Sports Campus, will generate income to support the roll-out of our developmental sports programmes. Over time, as we develop our local talent into professional athletes, these individuals will become commodities in themselves, generating income for themselves and the Bafokeng sports brand.

The annual Nelson Mandela Challenge soccer event is one of our flagship sponsored events, with proceeds benefiting the Nelson Mandela Children's Fund. In March this year, we have the privilege of hosting another Nelson Mandela Challenge, which will coincide with the re-opening of our upgraded stadium. This match, to be known as the The Peace Cup, will feature Bafana Bafana playing Norway. Nobel Peace Laureates and other figures in the world of international peace initiatives will gather at a Peace Symposium the day before the match to discuss challenges to international peace, and to underscore the link between global sport and peaceful resolution of conflict. I encourage you all to attend the match on March 28th here in Phokeng, as it will be a historic occasion and undoubtedly some very good soccer.

The British Lions Rugby Tour comes to the Sports Palace on 30 May 2009. This celebrated team tours internationally every four years to battle other top rugby teams from around the world. We are fortunate to host part of this globally-watched

event, and I hope many of us unfamiliar with rugby at the start of the tour will be fans by the end.

The FIFA Confederations Cup tournament begins in mid-June and serves as the dress rehearsal for the World Cup next year. Eight international teams, including Brazil, Italy, and the United States will come to South Africa to compete in this event. Our stadium will host three matches in the first round (New Zealand v Spain (June 14), South Africa v New Zealand (June 17) and Egypt v USA (June 21)), as well as one quarterfinal match. This will be exciting soccer and an important test of our readiness for the World Cup.

Our PSL franchise, the Platinum Stars, finished mid-table last season and we look forward to cheering them on to even greater heights this year. The Platinum Stars and their organization will be moving to Phokeng in early 2010, after the completion of their training headquarters at the Sports Campus. With the Sports Palace as their home field, the Platinum Stars will finally be making the North West Province their home.

The Platinum Leopards, our rugby team, has been promoted to the premier division of the Curry Cup league, and has climbed to the top of the rankings, a major achievement after just one year of Bafokeng sponsorship. The implication is that the North West Province will be hosting some big rugby matches in 2009, playing such teams as

the Sharks, the Blue Bulls and Western Province. Our aim for this year is to consolidate our position in the premier league. Again, I encourage you to attend these matches as often as possible.

On the eve of the World Cup, we have a great opportunity to galvanize interest in our identity as a sporting community, and as a people with a long and proud history. To that end, we will soon be launching a Bafokeng sports brand, a club and organization that will unify all of our teams and clubs under one banner. Like Manchester United or Real Madrid, the Bafokeng brand will connect our teams to our home and heritage through its colors, its vision, and the community that supports it. The aim is for our youth leagues to wear the same kit as our professional athletes, clearly symbolizing the path from early talent to the highest levels of sporting achievement.

We are happy to report that our very own Tsholofelo Thipe qualified for the 2008 Beijing Olympics. Despite the fact that she was injured and thus unable to compete, we remain extremely proud to have had her represent the Bafokeng and South Africa at the very highest level of sport. I am very confident that we will send at least six athletes to the London Olympics in 2012, and that our young athletes in the RBN will know that they are part of this amazing chain of effort, dedication, and achievement.

12. CONCLUSION

It can be daunting to enumerate the many challenging issues that we face as a community. There is much work to be done, and many obstacles in our path. As we lay out our plans in an ever more organized and systematic way, we know that we raise expectations. We seek a level of accountability that will propel us to greater levels of efficiency and effective leadership. The Bafokeng leadership and administration have set the bar high, in consultation with the community, on the understanding that each and every one of us is playing our part. Making the necessary sacrifices to send children to school well rested, well dressed, and well fed. Taking the opportunity to improve ourselves as business people, parents, and professionals. Remembering our broader goals and larger mission when we become

frustrated, tired, and discouraged. This is what it means to never stop learning, and this is a pact that I wish to enter into with each and every one of you today. I want nothing more than the establishment of a well-educated, healthy, prosperous, and safe community, and I will devote myself 110% to the realization of these goals over the coming years.

In the spirit of our ancestors and founders, we are ready to forge a path into the future with passion and pride in who we are and what we can create together.

KE A LEBOGA,
I THANK YOU



