



Atlantis SEZ Company

Public Accounts Committee Briefing

30 August 2023

The origins of Atlantis

Atlantis declared a National growth point (1976)

Manufacturing accounted for 50% of economic activity (1975-1985)

12 788 jobs created in Atlantis (1984)

Mid 1980s – termination of incentives and defense contracts

Mini-boom in Atlantis – Eskom established OCGT plant (2007)

Tellumat acquires Tedalex assets (2010)



Path to ASEZ and establishment

Atlantis Revitalisation Framework CoCT (2012)

Hisense opens factory (2013)

SEZ Act promulgated (2014)

Gestamp Renewable Industries and MyCiti Bus Route (2014)

Atlantis SEZ application for designation (2016)

Designation gazette (2018)

Company established (2019)

Community Stakeholder Network (CSN) Facilitation agreement (2020)

ASEZCo Registered and land transfer and shareholder agreements (2020)

1st ASEZCo clean audit and 3D schedule (2021)

2nd ASEZCo clean audit and operating independently with own bank account (2022)



ASEZ: Implementation Phase

SHIFT FROM ESTABLISHMENT TO IMPLEMENTATION (September 2022)

DTIC funding for zone 1 civils and 1st top structure (March 2022)

Appointment of Zutari to undertake design and construction oversight (April 2022)

Advertising of Construction tender (September 2022)

Establishment of Infrastructure Working Group and part of the Community Stakeholder Network (October 2022)

Appointment of WCB Construction for Zone 1 Civils (January 2023)

Purchase of existing factory in SEZ – accommodate immediate needs (January 2023)

Appointment of Siriccon to design and construct first factory in Zone (March 2023)

Award of first SMME work packages to Atlantis companies (8 May 2023)

Official Sod Turning for Civils Infrastructure for Zone 1 (5th June 2023)



Sod-turning with shareholders, investors and community –
5 June 2023



Dr. Dean Pillay at Enlit Africa on 17 May 2023 – talking about his project and showing pictures of the prelim designs for his factory.

17 May 2023 – First SMME work package orientation starts on Zone 1

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Investment & jobs to date

Tenant	Investment (Buildings and machinery)	Jobs (Current)	Jobs (5yr)	5yr turnover assuming zero growth and inflation
GRI	R 475 000 000	240	240	R 1 200 000 000
iProp (previously Resolux) - Kaytech Engineered Fabrics	R 25 000 000 R 130 000 000	0 151	0 151	Purchased by the ASEZCO (tenanted by New Era Roofing) *
Ahlesa Blankets	*	104	104	Current staff without deployment of additional capital post designation
Quantum V3 Holdings t/a Iconic Gases	R 32 500 000	53	53	R 37 500 000
Everflo	R 65 000 000	60	180	R 1 000 000 000
Swartland Group	R 106 000 000	30	170	Expansion
New Era Roofing	R4 000 000	2	10	TBC
Moduler	R5 000 000	5	10	R100 000 000
TOTAL	R 842 500 000	645	918	R 2 247 500 000

Mint & Honey – ~65 Jobs and R41,3mill
Quantum Oxygen Plant - ~2 Jobs

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Zone 1 – Progress

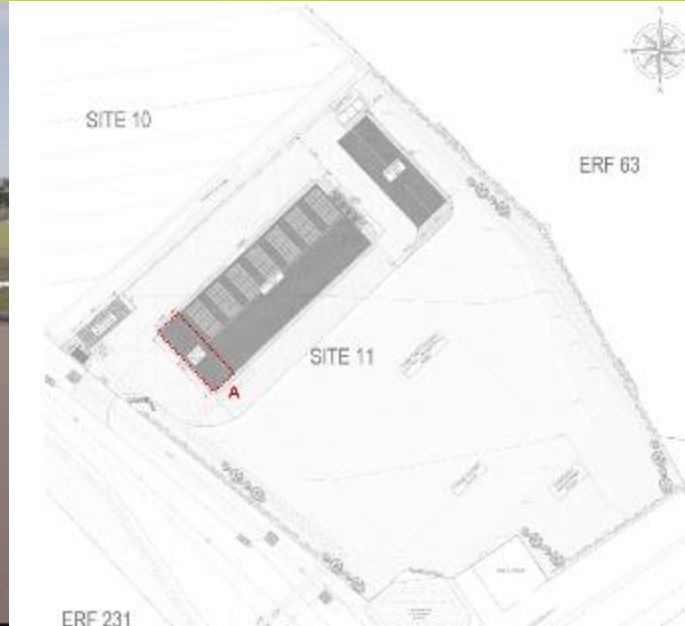
Bulk earthworks



Quantum V3

First ASEZCo constructed factory

(aiming for occupation in December 2024)



Quantum V3 Progress:

- Detailed design complete
- Final cost estimate at R 23.5 million (currently working in reducing cost)
- Construction planned to start in January 2024

Strategic positioning – 4 pillars to value proposition

- There are 4 components to the strategic positioning of the SEZ – it is not a one-dimensional entity or impact
 1. Greentech investment and jobs
 2. A destination marketing asset for South Africa
 3. A living laboratory – pushing the boundaries of sustainable and inclusive manufacturing
 4. A place-based development asset driving inclusive development



Community Integration



Community Stakeholder Network (CSN) overview

Public Participation with the Atlantis community and SEZ project partners - 17th October 2017. Call by community to set up recognized community structure.

Community stakeholder meeting held with DTIC on the 6th & 8th February 2018. Community nominated 11 members to form Interim Committee to develop Terms of Reference (ToR).

Interim Committee meetings held between August and October 2018 to develop the Atlantis Community Stakeholder Network (CSN) ToR.

Community stakeholder engagement session held on the 15th November 2018. Community adopt the ToR and elected the Oversight Committee to assist with first CSN elections.

Continued....

The election process took place between January and March 2019 in Atlantis, Mamre, Pella and Witsand.

The first Community Stakeholder Network meeting was held on the 7th March 2019

The Atlantis community adopted the CSN as a credible and legitimate structure at community stakeholder engagement session on the 18th July 2019.

Developmental training started from June until December 2019.



Continued....

In December 2020 the CSN signed a Community Facilitation Agreement (CFA), the first of its kind, with the ASEZCo.

In March 2021 the CSN adopted its first Constitution.

In February 2022 the CSN updated the Terms of Reference.

The CSN's first Annual General Meeting as a constituted organization was held in April 2022.



How has the CSN benefitted the ASEZCo

ASEZCo, British Council and Nuffic Programme – February 2023

The CSN participated in a discussion with 45 delegates from 14 countries in partnership the British Council and Nuffic on the topic Going Global Partnerships, Upcycling skills and retrofitting the economy, the pathways to sustainability. The community's voice was crucial - **Upcycling skills and retrofitting the economy, the pathways to sustainability**

Financial Literacy and Micro Enterprise Development Programme (FLAME)

30 Atlantis based entrepreneurs benefitted from 18-month Financial Literacy Program. The CSN was instrumental in the ASEZCo being appointed by ASISA Foundation based on our strong relationship with the community.

ASEZCo and ICLEI delegation – October 2022

ASEZCo hosted ICLEI delegation and together with the CSN visited the Witsand area to see geyser installations. Delegations from five African countries came together on Atlantis soil to learn more about how partnerships benefit all sectors of the community.



ASEZCo PARTNERS FY 2022

The partnerships achieved can be linked to the ASEZCo and CSN relationship and the value they bring to ensure community involvement.



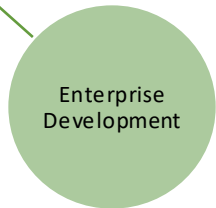
- University of Western Cape
- CoCT- Social Development
- SARETECH



WESTERN CAPE ECONOMIC DEVELOPMENT PARTNERSHIP



- CoCT - EPWP
- DEDAT
- UWC
- MERseta
- Lesedi Academy
- West Coast College
- Ikamva Youth



- Atlantis Industrial Initiative
- CoCT- AIFO office
- National Business Institute
- SEDA



CSN - community ambassadors during covid 19 pandemic



- On the 6th August 2020 Dr Corrigan, Public Health Specialist from Bearfish met with the CSN on:
 - Working on intersectoral COVID-19 response in hotspot areas, including Atlantis.
 - addressing the gap in linking community structures and government.
 - Local task teams to be created among Atlantis community stakeholders.
 - Supporting inter-departmental efforts from government side, partnering with Atlantis SEZ and Department of Transport and Public Works to identify beneficiaries for masks and hand sanitizer.
 - Members also contributed to the WC DoH COVID-19 response video supporting the vaccine campaign.



CSN - community ambassadors during land grab in 2021



In February 2021 the CSN leadership assisted the ASEZCo with the following:

- Worked with the leadership of Witsand to ensure that the land grab does not threaten the Atlantis Industrial Area or the support services;
- Participated in meetings between the CoCT and partners to seek a way forward on behalf of the marginalized community and the local business affected by the covid-19 pandemic.





Development of the Infrastructure Advisory Working Group (IWG)

The ASEZCo continues working with the community to build consensus on how local SMME's can benefit from the construction process.

This was made possible by the CSN who were able to support the establishment of the Infrastructure Working Advisory Group (IWG) as a component of the Community Stakeholder Network (CSN).

The stellar work continues to be done with the CSN and the IWG in ensuring that the terms and conditions for the participation of local SMMEs are clear to all parties.

Various capacity building workshops were held with the CSN and IWG to capacitate members elected.



Training | workshops | capacitation

CSN and IWG members met to discuss:

- Planning & problem-solving
- Discussed threats to the first ASEZCo project and Risk Mitigation options.
- Developed a framework to ensure continuous dialogue and engagement occurs with the main contractor and local SMME's.



Atlantis SMME Road Show

The Atlantis SMME's has been a priority of the ASEZCo since its inception in 2020 with majority of its programmes aimed at benefitting the local community.

In 2021 it was identified, through continuous engagement, that the construction sector could play a part in the first civil works project after the ASEZCo had successfully raised over R89m to service zone 1.

ASEZCo worked with the CSN to set out systems to ensure that the Atlantis construction business owners and supporting services were given first preference.

Before the civil project started, the ASEZCo facilitated training sessions, ran roadshows and engaged community leaders, business owners and students to ensure the message regarding the opportunities was received by all stakeholders.

The 31 March 2023 year ended with the successful SMME roadshows conducted in collaboration with the CSN, WCB, the principal contractor for the civils construction and Zutari (the consulting engineers). The focus of the roadshows, which were held in Atlantis, Mamre, Witsand and Pella, was to keep the community informed of the ASEZCo's progress and priorities including SMME participation.



Impact of the CSN relationship:

In June 2022 the IWG was appointed and began engaging the ASEZCo and the main contractor, WCB, to ensure that local small businesses added their voice to the discussion and had a seat at the table. It also provided a platform for local business owners to remain informed and where key issues may be addressed.

Through continuous dialogue the following work packages were identified that local SMME's could benefit from.

The CSN further discussed the criteria for each package.

SMME participation was prioritized to ensure that risk to the civil work project was significantly reduced.

18 Work Packages earmark for Atlantis SMME's only:

1. Clear and Grub.
2. Demolition of Structures.
3. Straw Stabilization.
4. Construction of Sewer Manholes.
5. Construction of Water Valve and Hydrant Chambers.
6. Construction of Stormwater Structures.
7. Construction of liner for stormwater swales and ponds.
8. Installation of Sleeves.
9. Construction of Road Kerbing.
10. Construction of Sidewalk Paving.
11. Roadmaking and Signage.
12. Design and construction of Fire Water Pumphouse Building.
13. Design and construction of Gatehouse Building.
14. Erection of Clearvu type Fencing .
15. Electrical Installation.
16. CCTV Installation.
17. Solar Installation.
18. Landscaping in accordance with Landscape Design.

Continued....

Skills Development:

Total beneficiaries engaged 440

Total number of beneficiaries trained 240



Enterprise Development:

Total beneficiaries engaged 342

Total number of beneficiaries trained 266

Total number of walk-ins assisted 76

where

where green tech grows



Continued....

The success of our first civil works programme to date is a result of strong collaborations built with the CSN, IWG, the community and the local construction sector.

ASEZCo achieves this by developing work packages that SMME's can benefit from.

To date 6 SMME's have been awarded work packages that have participated in ASEZCo programmes.

The CSN has been instrumental to the success of the of the civil work project, through the platform created the ASEZCo could engage with stakeholders and SMME's.

The fact that the project has been able to run uninterrupted since May 2023 can be attributed to the strong relationship between the ASEZCo and the CSN.



Construction at Atlantis Special Economic Zone

SMME Package Value target	R 28m
SMME % target (excl VAT)	40%

SMME Package 1: Clear & Grub: P & Sons Construction, 22 Jobs created, 14 Atlantis residents.
Contract Value: R 1 111 176

SMME Package 2: Demolition of structures: Blayi Construction, 5 jobs created, 2 Atlantis residents.
Contract Value: R 77 355

SMME Package 3: Straw Stabilisation: Sinelizwi Holdings, starting September 2023
Contract Value: R 1 866 508



Zone 1 Entrance and guard gate



Status of the CSN



- 1st April 2023 the CSN held their AGM.
- 3rd of June 2023 sectoral meetings were voters voted in the new CSN sector representatives.
- 10th June 2023 the new CSN sector representatives were presented to the community.
- Work with new CSN continues as the ASEZCo welcomes its first investor into the zone with construction starting in late 2023.
- CSN continues to be key conduit to the community which allows the ASEZCo to communicate opportunities

Community Stakeholder Network (CSN)

Initiative	Impact	Amount
<p>Community Stakeholder Network (CSN) monthly stipend of R866.66 each for:</p> <ul style="list-style-type: none"> • Monthly report back meetings with ASEZCo • Quarterly update meetings with stakeholders • Quarterly sector meetings with stakeholders 	<ul style="list-style-type: none"> • Sustainable constituted multi-sectoral community structure that represents the diverse Atlantis community, none of which exists in Atlantis. • Provides a platform for all three spheres of government a platform for true community engagement. • Provides the surety to investors that the community is invested in the development of the SEZ. • Development of a Construction SMME Procedure document that was included in the construction terms of reference to ensure local beneficiation. • Acts as advisors to the ASEZCo and the main contractor. • Provides a platform for an open channel for communication. 	<p>R 104,000 (average no. of members 10 members 12 months)</p>



Continued....

Initiative	Impact	Amount
Community Stakeholder Network (CSN) training and development	Capacity building session covering the following were held with the members of the CSN: <ul style="list-style-type: none">- Governance- Leadership development- Effective Communication- Conflict Resolution- Google and Computer Basic Training- MS Office	Pro bono



Continued....

initiative	Impact	Amount
External facilitator (1 year contract)	<ul style="list-style-type: none">• Developed community leaders that are capable of driving processes.• Developed and implemented a methodology, involving the CSN, that drives community alignment based on the ASEZCo's mandate.• Developed support mechanisms that equips the community to ensure local transformation takes place.• Development of governance frameworks for the CSN.• Provides assistance to the ASEZCo as they exit from building phase and enter into implementation phase.• Development of Code Of Dispute Management And Resolution documentation for problem solving.• Facilitates meeting and engagement sessions that protects the ASEZCo relationship with the community and CSN.	R 197,458



Next steps

- The Community Stakeholder Network (CSN) was established in support of local integration within the larger socio-economic objectives and benefits of the ASEZCo.
- The purpose of the CSN is to support the ASEZCo's overarching Risk Mitigation Strategy and ensure the overall strategic objectives of the ASEZCo are achieved. Accordingly, this describes how local skills and enterprises are currently enabled and will be grown on a continuous basis into the future, through dedicated and targeted development activities. These development efforts are focused on marginalised communities with emphasis on black-owned businesses, black women, people with disabilities and youth. Lastly, the strong partnership built between local community, fostered in partnership with the CSN, is testament to the success the CFA has had.
- As the ASEZCo continues to deliver multiple programmes in Atlantis the CSN remains an integral part of the plans as the company seeks:
 - Encourage community participation in infrastructure projects.
 - Develop SMME's through Enterprise Development Programmes.
 - Train beneficiaries to take up opportunities in the industrial area and surrounds.
 - Continue to fulfil the role of the communication conduit between the community and SEZ project partners.



Lastly....

The CSN's participation during the startup and growth phase of the ASEZCo is one of the key drivers in assisting overcoming potential challenges identified as the CSN assists communities to:

- be better citizens;
- be aware of their right to participate and
- be more confident in their ability to do so.





Thank you