

# **PRESENTATION OF THE FINDINGS OF THE DRDLR PRELIMINARY REVIEW INTO THE MACENA AGRICULTURAL PRIMARY COOPERATIVE Ltd**



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Department:  
Rural Development and Land Reform  
**REPUBLIC OF SOUTH AFRICA**

# ROLEPLAYERS

- APOL Ltd Company created to assist Limpopo farmers to access markets and to provide financial assistance of which RALMAN was a founding member
- APOL Agirfin Company created to manage the revolving credit programme created by RALMAN
- Illima Trust Subsidiary of Old Mutual - Mentorship and Audits
- Macena Macena Agricultural Primary Cooperative Ltd
- Masisizane Subsidiary of Old Mutual - a non-profit development funding company
- RALMAN Ralman Management Consultants (Pty) Ltd – Manhire family company
- SIU Special Investigating Unit



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Initials.....  
DG, PM Shabane

# BACKGROUND

- DRDLR Forensic Audit was requested to perform a preliminary review into the Macena project to determine the DRDLR's:
  - Involvement
  - Commitments / contributions to RALMAN
- The preliminary review was conducted by the DRDLR Forensic Audit with the assistance of the SIU, and with the support of Old Mutual, Illima Trust and Masisizane
- The review did not include the interrogation of the expenses incurred or the validity of the expenditure documents
- The review team did not interview Dr Manhire



# BACKGROUND

- Macena is situated in the rural areas of Giyani
- Macena was created as a CC on 29 January 2009 and initially consisted of 36 women tomato farmers
- Officials of the DRDLR introduced RALMAN (Dr Manhire) to the Muyexe Stakeholders Forum, who introduced Dr Manhire to Macena
- RALMAN, on behalf of Macena, developed a Business Plan to assist Macena with business and technical skills and funding, and presented to DRDLR and Masisizane (Old Mutual) separately
- Business Plan called for DRDLR to contribute R2,454,356.00 and Masisizane to contribute R1,390,000.00
- The DRDLR did not contribute the R2,454,356.00
- Masisizane approved a loan of R1,390,000.00, of which the funds were transferred to two service providers



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# FINDINGS

- There were two separate proposals submitted to the DRDLR from RALMAN:
  - A MoA where the DRDLR would contribute R32m towards a revolving finance scheme for agricultural projects in Limpopo. This was between the DRDLR and APOL Ltd, APOL agrifin and RALMAN
  - A Business Plan where DRDLR would contribute R2,454,356.00 and Masisizane would contribute R1,390,000.00 towards the Macena Project
- Regarding the MoA, the then DG did not approve the MoA, after feedback which indicated that APOL Ltd, APOL agrifin and RALMAN were not able to sustain such a project, and requested that a proper procurement process be followed to appoint such service providers
- The DRDLR informed the representatives of APOL Ltd, APOL agrifin and RALMAN of the decision



# FINDINGS

- Regarding the Business Plan, the DRDLR advised RALMAN (Dr Manhire) that it would not be able to contribute funding in the form of a grant or cash, but would contribute directly to the project where needs are identified, of which the following contributions were made to Macena by the DRDLR and other interested parties:
  - Fencing;
  - Borehole;
  - Protected clothing;
  - Replacement borehole pump;
  - Seedlings; and
  - A Pack house.
- The business plan was separately submitted to the DRDLR and Masisizane, and RALMAN did not update the decision from the DRDLR that there would be no cash or grant contribution payment into the business plan, when Dr Manhire presented the Business Plan to Masisizane



# FINDINGS

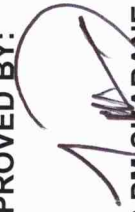
- Dr Manhire misinformed Macena that the DRDLR would contribute to the business plan and that the DRDLR's contribution would be used to pay the Masisizane loan
- No signed agreement between the DRDLR and Old Mutual, Masisizane, RALMAN, APOL Ltd, APOL Agrifin, or Dr Manhire were found, regarding Macena
- The Board of Masisizane informed the DRDLR that the loan to Macena will be written off, and Masisizane will not pursue the recovery of the debt against the members or the business



# CONCLUSIONS

- The DRDLR did not sign any agreement with Old Mutual, Masisizane, RALMAN, APOL Ltd, APOL Agrifin, or Dr Manhire
- RALMAN (Dr Manhire) misrepresented to Macena and Masisizane that the DRDLR was going to contribute an amount to Macena according to the Business Plan
- The Masisizane loan to Macena will be written off, and Old Mutual will not pursue the recovery of the debt against the members or the business

APPROVED BY:



MR PM SHABANE

DIRECTOR-GENERAL: RURAL DEVELOPMENT AND LAND REFORM

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