



KGOTHA KGOTHE REPORT
AUGUST 2020

NAVIGATING THE COVID-19 PANDEMIC TOGETHER

an **innovative** and **relevant**
traditional community



INTRODUCTION

The COVID-19 pandemic has changed the world as we know it. It has been described as a severe public health emergency or pandemic, which is proving to be a major global threat to the lives and livelihoods of citizens. Health experts estimate that, in the absence of swift, decisive and collective action, the pandemic has the potential to infect as many as 7 billion people and cause 40 million deaths globally. Global health interventions to suppress the rapid rate of transmissions designed to shield those most vulnerable such as the elderly, have allowed some breathing space for health systems around the world to prepare for the on-going monitoring and management of the coronavirus.

The nature of such interventions have been so drastic in nature, requiring a delicate balance of health and socio-economic imperatives. Measures such as “lockdowns”, whilst preventing the spread of the virus and relieving pressure on hospitals, have severely impaired even the most advanced economies in the world such as those of America and the United Kingdom. As a consequence of lockdowns, new ways of engaging with one another and schooling, through the internet and online platforms, have kept families, businesses as well as schools operational.

South Africa has not been spared the devastation of the coronavirus. Our challenges as a country have only been magnified. Rising rates of infections are being recorded and several provinces, such as Gauteng, Western and Eastern Cape have emerged as hotspots for the virus. Closer to home in the North West, Phokeng/Rustenburg has emerged as the hotspot in the province. Most of these infections were recorded in and around the mines. The far-reaching impact of this pandemic beyond the spread of the virus itself has compelled us as the RBN to provide a compelling response from a health, economic and community perspective in the interest of safeguarding the wellbeing of Morafe. Our ability to navigate this pandemic together is outlined in this report.

CONTENTS

Page



INTRODUCTION



MESSAGE FROM THE
OFFICE OF KGOSI

02



IMPACT OF THE PANDEMIC
ON HEALTH

04



IMPACT OF COVID-19 ON
THE ECONOMY

08



IMPACT ON MORAFE

12



CONCLUSION

20

MESSAGE FROM THE OFFICE OF *KGOSI*

Bagaetsho,

Restrictions brought about by lockdowns, first instituted on 19 March 2020, as a measure to contain the coronavirus, have prevented us from convening Kgotha Kgothe as we are accustomed, as gatherings of any kind are not to exceed a total of 50 people in line with the provisions of the National State of Disaster. Whilst this has been very restrictive in many ways, the lockdown has not meant that our work has come to a standstill. In the following pages, I am pleased to share with you the work we have been doing and the interventions we have championed in our community.

First and foremost, I wish to take a moment to thank all those leading the various Bafokeng entities and all the members of staff who have supported them. In particular and with deep gratitude, I wish to single out our health, security and teaching personnel who have toiled and continue to risk their lives to safeguard our community. Our work to ensure that we continue to serve Morafe would simply not be possible without your efforts and commitment. I also wish to thank Dikgosana and our Councillors for their steadfast leadership and support during this very difficult time.

As the pandemic set in, our primary object was the establishment of the RBN COVID-19 Task Unit (CTU). Once established, the

CTU began collaborating with Discovery Health on a strategy to track, trace and epidemiologically model the virus in our community. This also included assessing hospital bed capacity and overseeing the dissemination of information about the disease. Furthermore, we engaged our stakeholders such as the North West Government and the mines, all of this in preparation for our community to withstand the impact of the pandemic as much as possible.

Economically, the impact has been massive as witnessed by so many people out of jobs or being unable to provide for themselves due to the lockdown. The Royal Bafokeng Nation (RBN), through Royal Bafokeng Holdings (RBH), was also negatively impacted with our assets contracting by a massive 40%, before making a small recovery. FirstRand remains our biggest asset, and like all banks, is under severe pressure due to people being unable to meet their bank loan obligations. As we map the way forward, it is becoming evident that we will have to effect major expenditure cutbacks.

Bagaetsho, until a successful vaccine is produced, this pandemic will be around for some time to come. Even as we ease into Lockdown Level 1, we are not yet through the storm and so must continue to take precautions when it comes to our health and hygiene. Washing our hands regularly or sanitising when we cannot wash our hands, remains critical as does keeping our distance, wearing a face mask in public spaces and staying home as much as possible. With discipline and determination, we shall overcome the pandemic.

Regards,
Kgosi Leruo Molotlegi

”

... we are not yet through the storm and so must continue to take precautions when it comes to our health and hygiene.

”





IMPACT OF THE PANDEMIC ON HEALTH



HEALTH IMPACT OF THE PANDEMIC IN THE REGION

In the Bafokeng region, we recognise that, in the fight against the COVID-19 pandemic, we cannot work in isolation. We know that we are stronger when we act in unison and work together. To this end, we have collaborated with stakeholders to co-ordinate efforts to fight this virus. To-date, we have partnered with the mines in our community, Rustenburg Health Forum, District Command Council, Office of the Rustenburg Executive Mayor, Office of the North West Health Administrator/Head of Department, North West Health MEC, private hospital group engagement forum and the Aurum Institute in order to mount a compelling response to the pandemic for our region.

Through our partnerships, we have created a structured approach to the COVID-19 pandemic in Bojanala with a special emphasis on Rustenburg and therefore the RBN. We have established a live virtual war room that is physically housed in our very own Royal Bafokeng Operations Room, where live daily dashboards including data, projections and responses are shared broadly with stakeholders. This gives us a full picture of the virus progression and our response to it. The dashboard is updated and discussed daily to monitor the projections and to implement interventions accordingly. Daily data is also collected from the National Institute of Communicable Diseases (NICD), the mines as well as public and private hospitals on bed capacity, testing, screenings and positive cases. This has enabled us to lead the charge with the Department of Health (DoH) to build a live daily bed registry for the North West in order to aid hospital capacity distribution.

As we do all of this, we cannot overemphasise that public behaviour in implementing basic protocols is still the single most important response to the spread of the virus, particularly because this virus is supposed to continue to

be among us for another 12 – 18 months until a successful vaccine is found. In support of this, we have already started distributing educational material at the various Royal Bafokeng clinics, through RBN digital channels and through the RBN COVID-19 WhatsApp group, bulk SMSes (with 23 000 recipients), on the official RBN Facebook page (with approximately 7000 followers) and on Telegram.

We have also been introducing world class digital tools and technology to support Community Health Workers (CHW), tracers and the Bojanala community in combatting the virus. We envisage that mobile apps will be used to perform screenings by CHWs in a more effective, consistent and efficient manner. This will feed into the case management database that has been designed with world class clinical rules and recommendations.

We are also building a contact tracing Call Centre. The DoH is currently tracing manually, which has caused a huge backlog. Progress in this regard is on track, with Discovery Health providing training for the RBN stream leads and Royal Bafokeng EMS Call Centre Manager on the use of the software. The next phase will be to launch virtual Call Centres in which an additional 50 agents will be employed.

This being said, we cannot effectively intervene unless we are testing enough. In the North West province, the public sector is testing far below the rest of the country. To this end, we have partnered with Sibanye-Stillwater and Impala Platinum mines, to avail more laboratory capacity enabling us to conduct up to 5 000 tests a day to serve the Bojanala community specifically.

We have also put a number of measures in place for those that have unfortunately been infected by the virus within the community. Isolation facilities are open to both mining personnel and the public at large at the Royal Bafokeng Platinum Mine (RBPlat) and Sibanye-Stillwater facilities, and an additional 660 isolation beds per day through local guesthouses, have been secured should the need arise.

For those needing additional medical care, we are also building stabilisation facilities where the community can receive oxygen treatment, now known as an effective treatment for COVID-19. While there has been an oxygen shortage nationally, we have contacted oxygen suppliers and secured a 4.5-ton oxygen tank for the 200-bed facility

at RBPlat. In addition to national oxygen shortages, the North West is also facing a shortage of nurses and doctors. However, we will rationalise the available nursing staff whilst continuing with discussions to mobilise doctors in Bojanala to assist with health care provision.

We have also put several initiatives in motion to increase critical care and ICU capacity. By collaborating across the private and public sector as well as looking to neighbouring provinces, we are developing a bed bureau to quickly be able to identify bed capacity. We will also be utilising the most current clinical guidelines in the field hospitals to ensure that our community members get the latest and most advanced care in Bojanala to reduce fatalities related to this virus. One such example is enlisting Prof Guy Richards, who is behind major innovations on the COVID-19 pandemic, to convene webinars to support and educate our local practitioners. We have also developed a concept for primary care virtual consultations at health care hubs to assist with the number of people accessing these facilities.



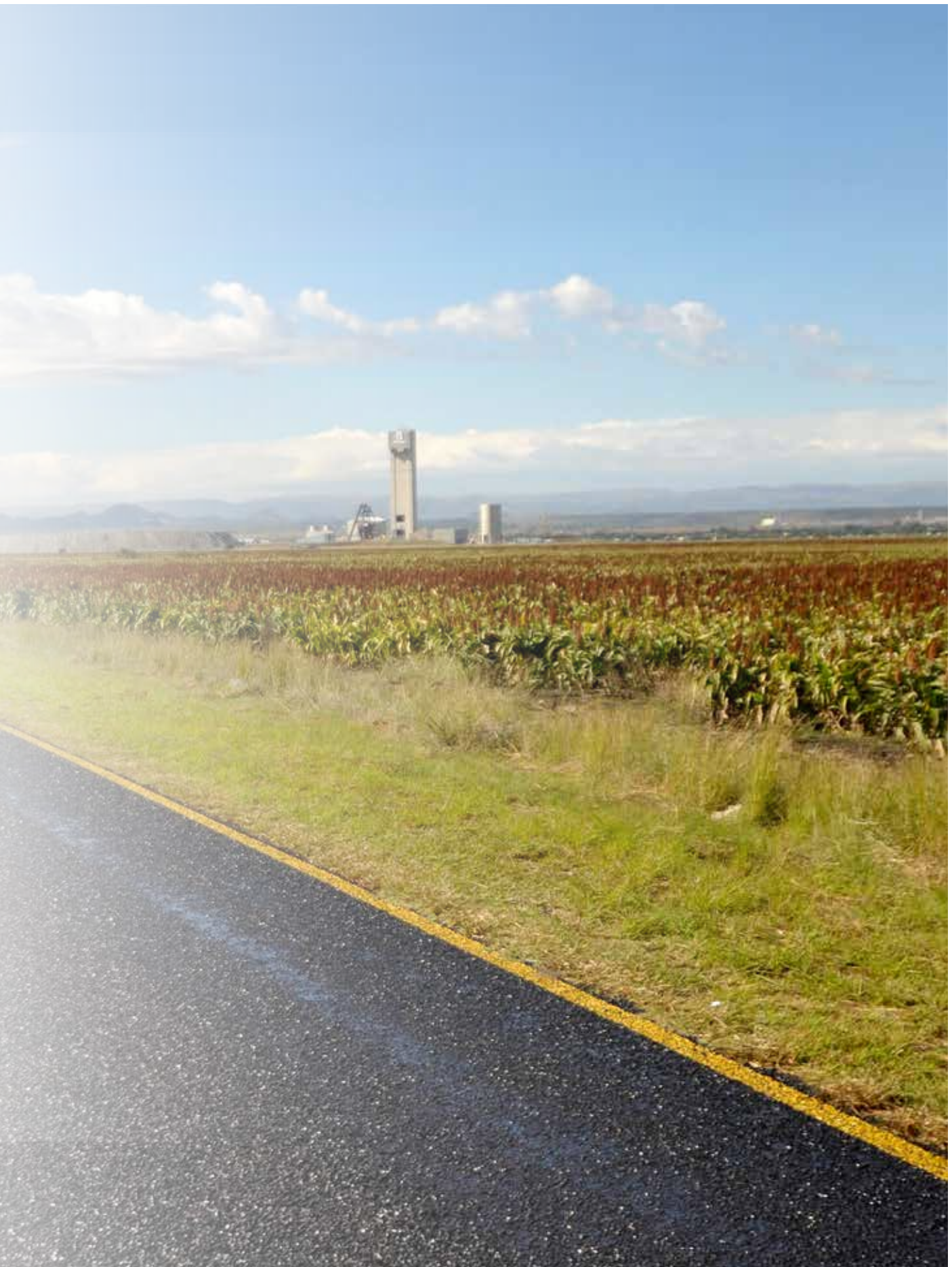
SNAPSHOT OF STATISTICS

As of 5 August 2020, the North West province had just over 20 000 confirmed COVID-19 cases with a growth rate of 0.7% and a 7-day moving average of 2.0%. This translates to a 97-day doubling time, which is a total change from what was happening towards the end of July with a doubling time of around 11 days. We are therefore "cautiously optimistic" in view of the apparent slowing down of the epidemic in our region.





IMPACT OF COVID-19 ON THE ECONOMY



IMPACT OF COVID-19 ON THE ECONOMY

On 24 June 2020, the National Treasury (NT) tabled a Special Adjusted Budget (also known as the Supplementary Budget). The broad objective of the Supplementary Budget was to outline the revised fiscal framework and also to provide detail on how funds would be reprioritised and sourced to finance the stimulus package which was prompted by the shutting down of the economy or lockdown, due to the coronavirus. The key issues that emerged in the Supplementary Budget include:

- The economy is expected to contract by -7.2% in FY20/21, from an initial forecasted growth of 0.9%.
- The combination of an anticipated shortfall of R304.1 billion (17.3%) in tax revenue and a net increase of R36 billion in expenditure (to support COVID-19 related expenses), is expected to result in the budget deficit increasing to 14.6%.
- Budget deficit will put more pressure on the country's indebtedness as Gross Debt-to-GDP is expected to rise to 81.8%. This is significantly higher than the 65.6% projected in the February 2020 budget. Out of every R1 of expected revenue, 21cents will be allocated towards servicing debt, which reduces the amount of money Government can spend on services such as education, health and roads.





IMPACT ON RBH INVESTMENTS

Royal Bafokeng Holdings (RBH) is mandated to manage RBN commercial assets to ensure capital preservation, long-term real growth and provision of a predictable and sustainable income stream to the RBN. Due to the negative impact of COVID-19, RBH undertook a detailed review of its portfolio, specifically to assess the South African banking sector, given RBH's 4% equity in the FirstRand group. Whilst our local banks were found to have enough liquidity surpluses and significant solvency buffers to absorb the COVID-19 shock, and do not present a going concern risk, profitability is projected to reduce significantly in the 2020 financial year. Credit impairments are expected to increase as a result of an increasing unemployment rate and poor economic performance in general.

As a direct result of the lockdown, the value of the RBH portfolio reduced sharply from R30.22 billion in December 2019 to R18.7 billion by end of March 2020, implying a 38% decline. We have seen some improvement in our portfolio since the easing of lockdown restrictions with the value increasing to R22.4 billion at the end of June 2020, an increase in value of 19.8% compared to March 2020. In the meantime, RBH continues to carefully look for opportunities to reduce the risk in the portfolio. The debt reduction strategy implemented by RBH over recent years cushioned the impact of the lockdown on the Net Asset Value.

IMPACT ON CASH RESERVES

The current market uncertainties prompted RBH to pay a full dividend of R530 million to RBNDT during March 2020, instead of the usual two (2) tranche payments in April (interim) and October (final). Whilst this dividend payment will cushion the RBN in the short term, projected negative economic factors will impact on our future earnings significantly. We project a significant reduction in our future earnings. The importance of cost reduction, prudent spending and cost recovery across the RBN system and structures cannot be over-emphasised.

Like Government and indeed the private sector, which are forced to effect major cuts, the RBN is also forced to review its financial position in order to survive this difficult economic patch. This will be effected through an exercise termed "Plan '35 Reprioritisation", which aims to review, repurpose and re-align the RBN entities in order to enable them to:

- Do more with less
- Prioritise key focus areas and related initiatives
- Ensure a "Fit-for-Purpose" operating model and structures

This process will be concluded in the current year with the major implementation expected to take place from 2021 onwards.



IMPACT ON MORAFE



IMPACT ON MORAFE

While the lockdown was unavoidable, it was however necessary to help with the containment of the virus that has had a detrimental effect on the whole country, including Phokeng. The hard lockdown meant that there was a total shut down of the economy, this included businesses and mines which were all forced to stop operating. Schools were closed, public gatherings and other recreational activities were no longer permitted in order to prevent the spread of the virus.

COVID-19 has not spared any country or community and the impact of the virus was also being felt here at home as we had to follow all requirements as prescribed by the Government. Some of these requirements included the prohibition of public gatherings which prescribed that it was no longer allowed for more than 50 people to gather at any one time. Important community gatherings, such as Kgotha Kgothe, the Dumela Phokeng regional meetings and Makgotla gatherings could not take place.

The schooling system has been the most affected and guidelines as provided by Government had to be followed, which limited access to education and the much-needed school nutrition programme. Our sports in schools programme and other annual sporting events such as Metshameko and the NBA basketball championships had to be halted. In recognition of the importance of education and supporting our learners to complete the academic year with minimal disruption, we are focused on finding alternative solutions aimed at resolving the challenges faced by our schools.

Regular engagements are important for us as the Bafokeng Nation. We are therefore currently considering alternative forms of communication for us to reach Morafe. During this time, our Supreme Council, Dikgosana and Councillors held two meetings in groups of 50 to keep them informed. While we look at various platforms to help you stay informed, things have not stopped entirely. Instead, this presents an opportunity for us to explore alternative ways of engaging while remaining physically distanced but socially connected.

”

COVID-19 has not spared any country or community and the impact of the virus was also being felt here at home as we had to follow all requirements as prescribed by the Government. Some of these requirements included the prohibition of public gatherings, which prescribed that it was no longer allowed for more than 50 people to gather at any one time.

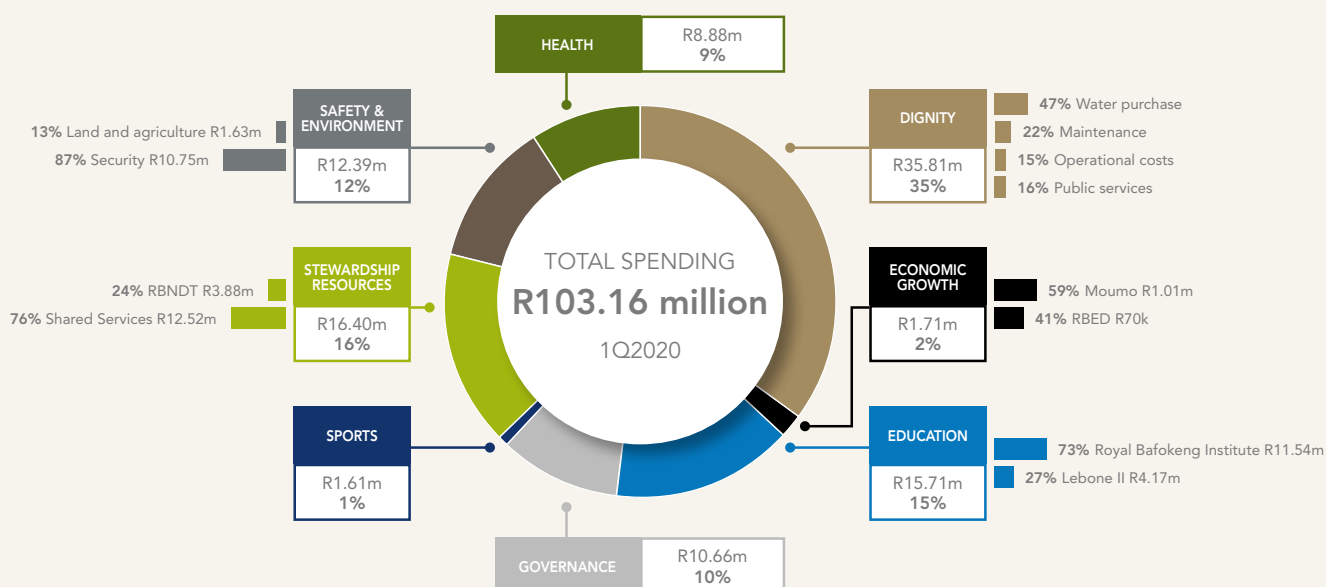
”

SERVICE DELIVERY IN THE RBN

Precautionary measures introduced included the closing of the Civic Centre to the general public. This will continue throughout the various stages of lockdown. In order to ensure that service delivery is not compromised, we are operating at an optimal capacity to ensure continued delivery of essential services during this time. As part of our safety protocols, we have also been conducting daily mandatory screening of all staff accessing the Civic Centre.

Importantly, the RBN COVID-19 Task Unit (CTU) has been established to provide a co-ordinated response to the pandemic in the RBN. The CTU meets regularly and is also tasked with conceptualising measures aimed at mitigating the socio-economic impacts of this pandemic that is yet to be fully quantified. This is an important focus area that will require unity in action and ensure that the measures put in place prepares us to do more in the most efficient and effective manner for our people.

For the period under review, our spending across programmes was as follows:



IMPACT ON MORAFE (continued)



EDUCATION

When the lockdown was announced, schools were closed to help contain the spread of the virus. This unfortunately resulted in learners not being able to go to school as they normally would. It also meant that a large number of the learners were not able to get the necessary support provided to them within the schooling system.

For us in Phokeng, the schooling system has been the most affected as it lies outside our control and in the hands of Government. The Royal Bafokeng Institute (RBI) is working closely with the Department of Education to ensure that we resolve the schooling challenges and that all schools are ready to resume and to receive children as part of the amended schooling calendar. Alternative digital platforms are also being considered to ensure ongoing teaching and learning at public schools.

Despite the challenges, our learners who were supported by the various school nutrition programmes continued to receive food even during lockdown and RBN was able to further extend the feeding schemes to other families in the community. 540 Early Childhood Development children benefited from the nutrition and support programme while an additional 2 900 food parcels were also distributed to families in need.

Among these interventions that were put in place, students who are currently enrolled in higher learning institutes continue to be supported by RBI and NFSAS in continuing to pay stipend and fees while the students study remotely.



PUBLIC SERVICES AND HEALTH

Primary Health Care

In the first quarter of 2020 we saw a decrease in patients with hypertension and diabetes at our healthcare facilities. This may be an indication that patients are avoiding their treatments. However, patients on Anti-Retroviral Treatment (ARV) have increased by 13% from 39 535 (1Q2019) to 44 684 (1Q2020).

During this period, we also saw 440 babies who received vaccinations at the various facilities. Overall, we have seen that the number of primary health care patients have increased when compared to the first quarter of 2019.

Based on the numbers we have seen in the healthcare facilities of people with hypertension, diabetes and TB, the Department of Health and HSDS may need to encourage chronic patients to follow a strict treatment regime and also advocate healthy living in light of the dangers of COVID-19.



ENTERPRISE DEVELOPMENT

To-date, we currently have 1 917 SMMEs registered on the RBED database. These small businesses are supported through the various on-going SMME workshops. In the first quarter of 2020, RBED held six SMME workshops i.e. Labournet, SARS, Cloud Computing, Digital marketing in business, Impala enterprise development, Introduction to SANS.

There were seven businesses who applied for permits to operate the Coca-Cola Business-in-a-Box. RBED assisted with the application process as well as grants but this was unfortunately cut short due to the COVID-19 lockdown. We were also able to support 24 crafters who received an order to procure more than 4 000 face masks from the RBN and various other organisations.



SPORTS

Major sports events around the world have been cancelled due to the COVID-19 pandemic. This has unfortunately affected all sports and recreational activities, including in our schools. The cancelling of all these sporting activities have negatively impacted our school children, youth and the general public.

Although the lockdown has led to all these restrictions, we still encourage everyone to exercise and be active at home, while practising social distancing and the wearing of a mask. We especially encourage the youth who are involved in various sport programmes to continue training at home and improve their fitness levels.

In spite of all these restrictions due to COVID-19 and the lockdown, there were some developments across the different sporting programmes in the first quarter of 2020.

IMPACT ON MORAFE (continued)

UPDATE ON THE PROVISION OF A SUSTAINABLE WATER SUPPLY SOLUTION

During 2019 and early 2020, the RBA performed assessments on various aspects of its previously presented water solution strategy, which included an investigation of new water sources as well as the possibility of billing businesses during 2021. The outcome of these investigations have confirmed that the provision of a sustainable water solution is more complex than initially anticipated and requires a comprehensive and consolidated approach in order to address the problem for the long-term.

The water solution strategy has since been refined taking into account the results of the recent assessments to provide an end-to-end and sustainable solution. This consolidated approach will ensure clear lines of accountability. RBA will continue to update Morafe on the progress of this project. In the meantime, water trucks have been made available to improve access to water supplied to all villages, schools and clinics, whilst we work towards a sustainable long-term solution.



INCORRECT MEDIA REPORTING ON RBN DT

It has recently been reported in a media article of an attempt to “swindle money from a Royal Bafokeng Trust” bank account. While it is correct that there was an attempt that was unsuccessful and that the perpetrators were arrested, the article contains a number of inaccuracies.

The facts of the matter are that in July 2018, RBH was contacted by the bank alerting it of a syndicate that had made initial attempts to make a withdrawal from a bank account held by RBH and not the ‘Royal Bafokeng Trust’. Two people had posed as authorised RBH bank signatories after fraudulently obtaining their identity copies and created fake identity books with their own photographs. Bank officials became suspicious and began tracking the activities of the syndicate as their conduct was not in line with security protocols that RBH has with banks for the withdrawal of funds.

The police were involved and on the day that the suspects made a second attempt for a bank withdrawal, they were immediately arrested. The matter was heard in court and RBH representatives testified in July 2019. The two people, together with a third individual identified to be the mastermind of the syndicate, have now been found guilty

as correctly reported in the article. As a precaution, RBH has subsequently reviewed the bank security controls as well as its own internal controls and took the necessary steps to enhance measures even further. This is done on a continuous basis to align with the latest security protocols.

As the investment holding entity of the RBN, RBH is mandated with protecting and growing the financial wealth of the RBN through investments that it makes on behalf of the Nation. The proceeds received from these investments are paid to the Royal Bafokeng Nation Development Trust (RBN DT) in the form of a dividend, which is used for the socio-economic needs of Morafe such as the provision of water, roads, health and other services.

The RBN DT is the sole shareholder of RBH and together have a dual responsibility to generate income to meet social and infrastructural needs of the Nation in the short to medium term whilst ensuring that the long-term needs of Morafe are safeguarded. This is done in line with extensive governance processes and practices that are in place to guide everything that RBN DT and RBH does, including the responsible management of the investment portfolio, and regularly reviewing protocols to ensure that any risks to the business are appropriately managed.

”

The RBN DT is the sole shareholder of RBH and together have a dual responsibility to generate income to meet social and infrastructural needs of the Nation in the short to medium term whilst ensuring that the long-term needs of Morafe are safeguarded.

”





CONCLUSION

The last few months have been challenging for the country as a whole and as we map a way forward in the fight against the coronavirus, we will continue to ensure that service delivery in the RBN is not compromised and that the strides we have made during this time remain effective. We will also continue with our collaborative efforts with the various stakeholders in order for us to respond competently to the challenges presented by the COVID-19 pandemic.

As the country adapts to a reduced lockdown level 1, it is important that we continue to remain cautious and do our part in our personal and public spaces by following the recommended precautionary measures to limit the spread of the virus throughout the various stages of the lockdown. While this pandemic has had an immense impact on all of us it is important that we are not discouraged as now more than ever we must remain positive and hopeful that we shall overcome.

One of our strengths as a people has always been our ability to innovate, to be visionary and adapt accordingly. As we contemplate a future beyond this pandemic, we will continue to invoke these principles and embrace new ways of doing and being in order for us to stay on course with the objectives that we have set for ourselves. In these unprecedented times, we will continue to leverage the various digital platforms and other forms of engagement in order for us to stay physically distanced but socially connected. This report is one such example of how we are achieving this to provide regular updates and remain accountable to Morafe under different circumstances.



ROYAL BAFOKENG NATION