

## **Kwamtali Estate**

### Investment proposal

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#### **A. Preamble**

Kwamtali Estate offers a significant potential for protecting a key natural environment and for providing a base for community projects.

The estate's main disadvantages are:

##### 1. Exposure

The estate is exposed to pressure from neighbouring smallholders. The estate is isolated with only a part of the southern boundary adjoining a forest reserve. For the other boundaries, the western boundary has a well defined natural boundary (a seasonal stream in a valley) and part of the eastern boundary is effectively defined by a densely forested seasonal watercourse. But there are significant parts of the boundaries that are not well defined. Areas adjacent to these boundaries are largely sharecropped.

Given the exposure, it is important to have the estate occupied by management and/or activities such as tourist facility, small-scale crop growing (e.g., vegetable spices) or cocoa harvesting and processing.

##### 2. Theft and ecosystem deterioration

It appears that permission has been granted for extracting non-indigenous trees. Given the theft in the past of tree plantation timber and indigenous trees (which represent a considerable resource), it would seem likely that timber extraction will lead to the illegal logging of the very valuable indigenous trees and to significant ecosystem deterioration.

##### 3. Lack of permanent, bilharzia-free water.

A scheme to pipe water from hills beyond the western boundary seems unrealistic given that villages would take off water and leave little if any pressure available for reaching the estate.

There are apparently no permanent springs on the estate, and while the dam provides significant storage, it is seasonal and can only be used for agriculture and cocoa processing.

A borehole near the main house is unserviceable and records are apparently unavailable. So a programme of tests bores as part of a water management plan is probably needed to evaluate potential permanent borehole resources. However a limited seasonal use of runoff for say tourist activities part of the year may be possible.

##### 4. Shareholding

The estate's assets are held by a company of which a single shareholder holds a majority that is insufficient to pass board decisions. The share register needs updating to remove defunct shareholders so that board decisions can be taken.

##### 5. Liabilities.

There are likely to be significant potential liabilities.

## 6. Leasehold

The lease needs to be confirmed.

### **B. Strategy**

The various elements of any plan to revive and secure the state would seem to have the following components:

#### 1. Share deposit

Deposit of shares with a third party for an agreed time.

#### 2. Immediate management presence

There appears to be a short-term need to establish an immediate management presence. This could be by having the present owners grant a concession for some type of activity (research project; tourist project; seasonal vegetable growing; cocoa harvesting and processing) combined with an estate-wide oversight.

#### 3. Asset acquisition

An agreement needs to be established with the present owners that assets would be acquired for a certain sum made up of several payments conditional upon:

- share deposit;
- ongoing management oversight;
- share register updating;
- confirmation of lease;
- confirmation of adequate water resources for successful cocoa harvesting, processing and replanting at the present production level;
- acceptance of an overall price and schedule of payments.

### **C. Schedule of payments**

The proposal is to agree a schedule of payments according to completion of agreed tasks within an agreed time and ending with the transfer of the agreed assets to a new company. A proposed schedule is:

1. Agreement of assets to be sold and their price, and of a schedule of payments and tasks
2. Share deposit
3. Implementation of management oversight
4. Share register updating
5. Leasehold confirmation
5. Water resources confirmation
6. Transfer of assets

### **D. Downpayment**

A downpayment may be discussed, possibly upon deposit of the shares with a third party.