



INFORMATION MEMORANDUM

**INFORMATION MEMORANDUM ISSUED BY SOUTH AFRICAN
NATIONAL PARKS IN RESPECT OF THE SIX KNP CONCESSIONS
TENDER**

Mpanamana



IMPORTANT NOTICE

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TABLE OF ABBREVIATIONS

Abbreviation	Description
AIPs	Affected & Interested Parties
B-BBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditure
CRLR	Commission on Restitution of Land Rights
DEAT	Department of Environmental Affairs & Tourism (Now NDT)
DFFE	Department of Forestry, Fisheries and the Environment
DX	Direct Expansion System
ECO	Environmental Control Officer
EIA	Environmental Impact Assessment
EME	Exempted Micro Enterprise
EMS	Environmental Management System
GBCSA	Green Building Council South Africa
HVAC	Heating, Ventilation and Air Conditioning
HCFC	Hydrochlorofluorocarbons
HIA	Heritage Impact Assessment
IM	Information Memorandum
ISO	International Organisation for Standardisation
IT	Information Technology
KNP	Kruger National Park
kva	Kilovolt-amps
L	Litre
LRA	Labour Relations Act 66 of 1995
mg	Milligram
ml	Millilitre
MPA	Marine Protected Area
NDT	National Department of Tourism
NEMA	National Environmental Management Act 57 of 2003
NEM:BA	National Environmental Management Biodiversity Act 10 of 2004
NEM:PAA	National Environmental Management: Protected Areas Act 57 Of 2003
OHSA	Occupational Health and Safety Act 85 of 1993
OPEX	Operational Expenditure
PFMA	Public Finance Management Act 1 of 1999
PMS	Property Management System
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act 5 of 2000
PV	Photovoltaic
QSE	Qualifying Small Enterprise
SANParks	South African National Parks
SANS	South African National Standards
SMME	Small Medium and Micro Enterprises
SPFC	Strategic Plan for Commercialisation

Abbreviation	Description
SPV	Special Purpose Vehicle
SRI	Solar Reflective Index
TGCSA	Tourism Grading Council of South Africa

Final

1. INTRODUCTION

- 1.1 This Information Memorandum is issued by South African National Parks (“SANParks”) in accordance with the guidelines for Public Private Partnerships (“PPPs”) contained in National Treasury’s Tourism PPP Toolkit, and in compliance with Treasury Regulation 16 issued in terms of the Public Finance Management Act 1 of 1999.
- 1.2 SANParks is tendering this PPP opportunity in which it gives a selected Private Party the right to the Mpanamana concession.
- 1.3 SANParks makes no guarantees about and takes no responsibility for the accuracy and completeness of this Information Memorandum and disclaims any liability for any interested party’s use of the information.
- 1.4 This Information Memorandum is not intended to serve as the basis for an investment decision. Each recipient is expected to make an independent investigation or due diligence and to obtain the necessary independent advice regarding the PPP opportunity.
- 1.5 SANParks may change or replace any information contained in this Information Memorandum at any time, without giving any prior notice or providing any reason. Any such changes will be communicated through official channels.
- 1.6 In a typical PPP agreement in this sector, the Private Party is granted rights at its own risk to finance, refurbish, design, build, maintain and operate a tourism facility on state conservation land for a period likely to provide a fair return on investment. In return, the Private Party will meet agreed environmental, development, operating and broad-based B-BBEE obligations, and pay a PPP fee to SANParks.
- 1.7 SANParks or the State will hold the title to the land and assets. At the end of the agreement term, the facility reverts to SANParks. The incumbent concessionaires will not have an option to renew at the end of the term. At the end of the concession period, the concession may be put up for re-tender to interested bidders. The incumbent concessionaires will be entitled to bid.
- 1.8 The Private Party will have exclusive traversing rights of the Concession Area. These Areas will be off-limits to normal Parks visitors. The Concessionaire will be entitled to limited access to the park, subject to normal Park operating rules and

hours. A maximum number of people are to be accommodated overnight, (guests and staff), which is indicated in this Information Memorandum.

- 1.9 SANParks is following the PPP feasibility and procurement processes set out in National Treasury's PPP Toolkit for Tourism. The toolkit can be downloaded from www.ppp.gov.za.

2. SANPARKS' VISION, MISSION AND KEY STRATEGIC OBJECTIVES

2.1 SANPARKS' VISION AND MISSION

- 2.1.1 South African National Parks (SANParks) was established as a parastatal through an Act of Parliament in 1927. As per the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), SANParks is a Schedule 3(a) "public entity" that functions under the ambit of the NEMA: Protected Areas Act, 2003 (Act 57 of 2003) read concurrently with the Biodiversity Act of 2004 and the Protected Areas Act.
- 2.1.2 The primary mandate of SANParks is the conservation of South Africa's biodiversity, landscapes and associated cultural heritage assets through a system of national parks. SANParks is also involved in the promotion and management of nature-based tourism and delivers both conservation management and tourism services through an authentic people centred approach on all its programmes.
- 2.1.3 SANParks' operations are totally guided by its vision statement and mission statement. As a public entity, the SANParks is committed to act in pursuance of transformation of South Africa's society in support of entrenching South Africa's democracy. In this regard the organisation has adopted a transformation mission to guide its efforts accordingly.

VISION – A World Class System of Sustainable National Parks Reconnecting and Inspiring Society.

MANDATE – Delivery of Conservation Mandate by Excelling in the Management of a National Park System.

MISSION – Develop, Expand, Manage and Promote a System of Sustainable National Parks that Represents Biodiversity and Heritage Assets, through Innovation, Excellence, Responsible Tourism and Best Practice for the Just Socio-Economic and Equitable Benefit of Current and Future Generations.

2.2 **SANPARKS' KEY STRATEGIC OBJECTIVES**

SANParks' business operations are founded on the following important core pillars:

2.2.1 **Sustainable Conservation**

The primary mandate of SANParks is the conservation of South Africa's biodiversity, landscapes and associated heritage assets through a system of national parks.

2.2.2 **The National Tourism Sector Strategy**

The National Tourism Sector Strategy has as its objective to grow a sustainable tourism economy in South Africa, with domestic, regional and international components, based on innovation, service excellence, meaningful participation and partnerships. SANParks supports this strategy through its mandates and operations.

2.2.3 **Diverse and Responsible Tourism**

SANParks has a significant role in the promotion of South Africa's nature-based tourism or eco-tourism business, targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation's self-generated revenues from commercial operations that are necessary to supplement government funding of conservation management. A significant element of the eco-

tourism pillar is the SANParks' Strategic Objectives, which (through the implementation of Public- Private Partnerships) SANParks has adopted to expand tourism products and the generation of additional revenue for funding of conservation and socio-economic development. SANParks Responsible Tourism seeks to:

- 2.2.3.1 align SANParks' tourism strategy with the national policy and strategy on responsible tourism;
- 2.2.3.2 provide a clear framework that will ensure the integration of the nature-based responsible tourism strategy and actions into management plans for each national park in South Africa;
- 2.2.3.3 provide direction as to the sales and marketing focus and strategy of SANParks;
- 2.2.3.4 provide guidance on the development and operation of relevant tourism IT support and monitoring systems;
- 2.2.3.5 provide guidance as to the objectives and implementation of the Wild Card loyalty programme; and
- 2.2.3.6 provide guidance on sound and sustainable financial management of tourism in SANParks.

2.2.4 **Socio-Economic Transformation**

- 2.2.4.1 SANParks has taken a strategic decision to expand its role in the developmental support provided to neighbouring communities as an entity of the developmental state. In addition, SANParks is required to build constituencies at international, national and local levels, in support of conservation of the natural and cultural heritage of South Africa through its corporate social investment. It must ensure that a broad base of South Africans participate and get involved in biodiversity initiatives, and further that all its operations have a synergistic existence with neighbouring or surrounding communities for their educational and socio-economic benefit, hence, enabling the broader society to be connected to national parks.

2.2.4.2 SANParks' Commercialisation Strategy or Strategic Plan for Commercialisation (SPfC) has identified PPPs as a good vehicle for promoting and developing its Broad- Based Black Economic Empowerment (B-BBEE) and socio-economic transformation objectives. Through the B-BBEE Scorecard developed for the project, SANParks set targets for the Private Party to promote direct ownership of substantial interests by black people, black women and black enterprises, to achieve effective participation in the management control of the Private Party and its subcontractors by black people and black women, to ensure that the Private Party contracts a significant proportion of its subcontracting and procurement to black people, black women and black enterprises, and to promote positive local socio-economic impact from the project to the benefit of SMMEs, the disabled, the youth and non-governmental organisations within a targeted area of the facility's operations.

2.2.5 **Nature-based tourism**

2.2.5.1 The organisation has a significant role in the promotion of South Africa's nature-based tourism, or ecotourism business targeted at both international and domestic tourism markets. The eco-tourism pillar of the business architecture provides for the organisation's self-generated revenues from commercial operations that is necessary to supplement government funding of conservation management.

2.2.5.2 A significant element of the ecotourism pillar is the SANParks Commercialisation Strategy or Strategic Plan for Commercialisation (SPfC) (which through the implementation of Public Private Partnerships) has as its objective reducing the cost of delivery, improving service levels by focusing on core business and leveraging private capital and expertise as well as the objective of expansion of tourism products and the generation of additional revenue for the funding of conservation and constituency building.

2.3 **Vision 2040 – Regenerative Tourism**

- 2.3.1 SANParks' long-term strategic direction is guided by Vision 2040, which envisions a future where people and nature thrive together within sustainable and resilient conservation landscapes. Central to this vision is the positioning of national parks not only as protected ecological spaces, but as living landscapes that contribute meaningfully to biodiversity conservation, inclusive economic development, and societal well-being.
- 2.3.2 SANParks has adopted Regenerative Tourism as a key strategic focus area. Regenerative Tourism represents an evolution from traditional "responsible tourism" models. It requires that tourism activities within national parks:
 - 2.3.2.1 Actively contribute to the restoration and enhancement of ecosystems;
 - 2.3.2.2 Strengthen biodiversity conservation outcomes;
 - 2.3.2.3 Support climate resilience and reduced environmental impact;
 - 2.3.2.4 Promote inclusive economic participation and transformation;
 - 2.3.2.5 Foster meaningful connections between visitors, local communities, and conservation landscapes; and
 - 2.3.2.6 Generate sustainable revenue to support SANParks' core conservation mandate.
- 2.3.3 Application to Public-Private Partnerships
 - 2.3.3.1 Public-Private Partnerships (PPPs) within SANParks form a key implementation mechanism for advancing regenerative tourism objectives. Through carefully structured concession agreements, SANParks seeks to:
 - 2.3.3.1.1 Leverage private sector expertise and capital investment;
 - 2.3.3.1.2 Upgrade and maintain tourism infrastructure to world-class standards;

- 2.3.3.1.3 Ensure environmentally responsible operations aligned with approved Environmental Management Plans;
 - 2.3.3.1.4 Drive transformation, enterprise development and local economic participation; and
 - 2.3.3.1.5 Secure predictable and sustainable revenue streams to fund conservation.
- 2.3.4 All commercial activities authorised within national parks are required to operate in a manner that supports biodiversity protection, minimises environmental impact, and contributes positively to the long-term sustainability of the protected area system.

3. ARTICULATION OF SANPARK'S COMMERCIALISATION STRATEGY

3.1 Motivation for Commercialisation of the Kruger National Parks

SANParks' Commercialisation Strategy or Strategic Plan for Commercialisation (SPfC) has identified PPPs as a good vehicle for promoting and developing its Broad-Based Black Economic Empowerment (B-BBEE) and socio-economic transformation objectives. Through the B-BBEE Scorecard developed for the project, SANParks set targets for the Private Party to promote direct ownership of substantial interests by black people, black women and black enterprises, to achieve effective participation in the management control of the Private Party and its subcontractors by black people and black women, to ensure that the Private Party contracts a significant proportion of its subcontracting and procurement to black people, black women and black enterprises, and to promote positive local socio-economic impact from the project to the benefit of SMMEs, the disabled, the youth and non-governmental organisations within a targeted area of the facility's operations.

3.2 SANParks STRATEGIC PLAN FOR COMMERCIALISATION (SPFC)

- 3.2.1 The SPfC is updated every five years. The following outlines the major changes of the SPfC 2019 – 2024 (it is anticipated that this plan will be updated in 2026 to align to Vision 2040):

3.2.1.1 The SPfC 2019 – 2024 reaffirmed that PPPs are envisioned to continue playing a key role in executing on SANParks' mandate and achieving its strategic objectives, particularly in terms of revenue generation and contributing towards socio-economic transformation.

3.2.1.2 The SPfC highlighted the importance of tourism as an engine for job creation and a driver of sustainable socio-economic development. As such, particular focus will be placed on using PPPs as a mechanism to promote economic transformation in the industry.

3.2.1.3 The SPfC was updated to reflect a revised checklist for all commercial opportunities identified.

3.2.1.4 Finally, the SPfC 2019 - 2024 addressed the need for additional capacity in the Business Development Unit to accelerate the implementation of PPPs.

3.2.2 **Benefits of the SANParks Commercialisation Strategy**

The achieved high level commercialisation objectives for SANParks include the following; revenue generation; loss minimisation or savings on existing operations; optimal use of under-performing assets; job creation and poverty alleviation; B-BBEE; infrastructure upgrades; upgrade/development of historical and/or cultural sites; tourism promotion and further biodiversity protection and conservation. PPPs in SANParks have proved to be an important service delivery mechanism. The SANParks Commercialisation Strategy has yielded the following benefits to SANParks:

3.2.2.1 **Strategic Value**

3.2.2.1.1 Implementation of the Commercialisation Strategy has resulted in increased market segmentation and product and price differentiation with over 500 additional guest beds in the five-star segment resulting in increased economic activity and foreign exchange generation.

3.2.2.1.2 It has further resulted in improved efficiencies of the restaurant and retail facilities, contributing to an enhanced visitor experience for the guests of SANParks.

3.2.2.1.3 The strategy has also resulted in an increased contribution to the broader economy through the tourism multiplier effect and SANParks' image has improved considering that national parks are being put to responsible and sustainable use for the economic development of the country.

3.2.2.2 **Monetary Value**

The Commercialisation Strategy has resulted in a total contribution of over R1.5 billion since inception.

3.2.2.3 **Increased Infrastructure**

The Commercialisation Strategy roll out has resulted in **increased** infrastructure in National Parks to the value of R958 million with the assets ultimately reverting to SANParks. In addition, it has resulted in the refurbishment of the aging infrastructure of both the restaurant and retail facilities to the value of R20 million.

3.2.2.4 **Risk Transfer**

The strategy has resulted in significant commercial risk transfer to the private sector including EIA risk, construction risk, availability risk, insolvency risk, market demand or volume risk and operating risk. However, SANParks is still exposed to the risks experienced by the Private Party and hence effective contract management is essential.

3.2.2.5 **Socio Economic Value**

The strategy resulted in broadening the participation of B-BBEE partners in the tourism industry thereby contributing to the demographic restructuring of the industry and poverty alleviation. Private Party agreements included the following contractual commitments:

3.2.2.5.1 increased employment in the tourism industry with 2100 new jobs excluding construction;

3.2.2.5.2 79% of employees recruited from local communities adjacent to the Parks;

- 3.2.2.5.3 Reported spend of R75 million per annum with local community SMME's;
- 3.2.2.5.4 Considerable continuous skills transfer and training; and
- 3.2.2.5.5 The tourism multiplier effect to the broader economy.

3.2.2.6 Environmental Value

Regulations pertaining to environmental management that apply to the commercial operators are in many instances superior creating a benchmark in SANParks nature-based tourism operations and over time, SANParks will be obliged to comply with these standards. This can only be to the long-term benefit of our national parks.

4. SANPARKS' LEGAL MANDATE

- 4.1 The environmental regulations that apply to the commercial operators or concessionaires are in many instances superior, creating a benchmark in SANParks nature-based tourism operations and over time, SANParks and the commercial operators are obliged to comply with these standards.
- 4.2 The Kruger National Park is an area declared, or regarded as having been declared, in terms of section 28 of NEMPAA as a protected environment. Section 92(1)(a) of the NEMPAA specifically states that SANParks is the management authority for any protected area and is obliged in terms of section 92(2) to manage all such protected areas according to the provisions of the NEMPAA and the management plan to be prepared for the protected area concerned.
- 4.3 Any commercial operator should at all times be cognisant of and apply all of the following regulations that are pertinent to SANParks, including all changes in these and other regulations that may be implemented over the period of the Concession.
- 4.4 **National Environmental Management: Protected Areas Act**
 - 4.4.1 National Environmental Management: Protected Areas Act 2003 (act no. 57 of 2003) ("NEMPAA") as amended by the National Environmental Management: Protected Areas Amendment Act (Act no 31 of 2004) provides for:

- 4.4.1.1 the protection and conservation of ecologically viable areas representative of South Africa's biological diversity and its natural landscapes and seascapes;
- 4.4.1.2 for the establishment of a national register of all national, provincial and local protected areas;
- 4.4.1.3 for the management of those areas in accordance with national norms and standards;
- 4.4.1.4 for intergovernmental co-operation and public consultation in matters concerning protected areas;
- 4.4.1.5 for the continued existence, governance and functions of South African National Parks; and
- 4.4.1.6 for matters in connection therewith.

4.5 **NEM: PAA Section 50**

- 4.5.1 Section 50 (1) of NEMPAA allows SANParks to:
 - (a) carry out or allow:
 - (i) a commercial activity in the park, reserve or site; or
 - (ii) an activity in the park, reserve or site aimed at raising revenue;
 - (b) enter into a written agreement with a local community inside or adjacent to the park, reserve or site to allow members of the community to use in a sustainable manner biological resources in the park, reserve or site; and
 - (c) set norms and standards for any activity allowed in terms of paragraph (a) or (b).
- 4.5.2 Section 50 (2) provides that an activity allowed in terms of subsection (1)(a) or (b) may not negatively affect the survival of any species in or significantly disrupt the integrity of the ecological systems of the national park, nature

reserve or world heritage site.

4.5.3 Section 50 (3) provides that the management authority of the national park, nature reserve or world heritage site must establish systems to monitor—

(a) the impact of activities allowed in terms of subsection (1)(a) or (b) on the park, reserve or site and its biodiversity; and

(b) compliance with—

(i) any agreement entered into in terms of subsection (1)(b); and

(ii) any norms and standards set in terms of subsection (1)(c).

4.5.4 Section 50 (4) provides that any activity carried out lawfully in terms of any agreement which exists when this section takes effect may continue until the date of termination of such agreement, provided that the agreement may not be extended or varied so as to expire after the original intended expiry date without the consent of the Minister.

4.5.5 Section 50 (5) provides that no development, construction or farming may be permitted in a national park, nature reserve or world heritage site without the prior written approval of the management authority.

4.6 **NEM: PAA Section 55 and 56**

4.6.1 Section 55 sets out the functions of SANParks which functions include inter alia responsibility to:

4.6.1.1 protect, conserve and control all protected areas under its management including all biodiversity found therein (section 55(1)(b));

4.6.1.2 to carry out any development and construct or erect any works necessary for the management of the area (section 55(2)(e));

4.6.1.3 take reasonable steps to ensure the security and well – being of visitors and staff (section 55(2)(e));

4.6.1.4 provide accommodation and facilities for visitors and staff (section 55(2)(h));

- 4.6.1.5 to carry on any business or trade or provide other services for the convenience of visitors and staff (section 55(2)(i));
- 4.6.1.6 determine and collect fees for entry or stay in the area or for any services provided by it (section 55(2)(i)); and
- 4.6.1.7 authorise any person, subject to such conditions and the payment of such fees as it may determine, to carry on any business or trade or provide any service which SANParks may carry on or provide in the area in terms of the NEMPAA ((section 55(2)(i)).
- 4.6.2 Section 55(2)(i) also authorises SANParks to authorise another person, subject to such conditions and the payment of such fees as it may determine, to provide any service which SANParks may otherwise provide in the Kruger National Park.
- 4.6.3 Section 56 (c) also specifically allows SANParks to hire or let any property, for the purpose of performing any of its functions in any protected area placed under its management and control.
- 4.6.4 Accordingly, SANParks has the legal mandate in terms of the NEMPAA to enter into PPP Agreements.

4.7 **The Public Finance Management Act 1 of 1999 (“the PFMA”)**

- 4.7.1 SANParks is a Schedule 3A public entity for the purpose of the PFMA. As such, SANParks is bound to the provisions of the PFMA which regulates the financial management of all national and provincial governments and agencies; ensures that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; provides for the responsibilities for those entrusted with financial management in those governments, and governs all matters connected therewith.

4.8 **PFMA Sections 50 and 51**

- 4.8.1 Section 50 of the PFMA deals with a number of fiduciary duties placed on the accounting authorities of public entities which are subjected to the provisions of the PFMA, and inter alia requires the accounting authority for a public entity to:

- 4.8.1.1 exercise the duty of utmost care to ensure reasonable protection of assets and records of the public entity;
- 4.8.1.2 act with fidelity, honesty, integrity, and in the best interests of the public entity in managing the financial affairs of the public entity;
- 4.8.1.3 seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

4.8.2 Section 51 deals with a number of general responsibilities of accounting authorities and provides that the accounting authority for a public entity must ensure that a public entity has and maintains inter alia effective, efficient and transparent systems of financial and risk management and internal control as well as an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost – effective.

4.9 **Treasury Regulation 16**

4.9.1 This last aspect is taken further in Regulations 16A7.4 and 16A7.5 of the National Treasury Regulations promulgated in terms of section 76 of the PFMA in Government Gazette Notice No. R 225, Government Gazette No. 27388 dated 15 March 2005, and amended by Government Gazette Notice No. R 146, GG 29644 dated 20 February 2007, which Regulations state that:

4.9.1.1 Reg. 16A7.4 The letting of immovable state property must be at market – related tariffs unless the relevant treasury approves otherwise. No state property may be let free of charge without the prior approval of the relevant treasury.

4.9.1.2 Reg. 16A7.5 The accounting officer or accounting authority must review, at least annually when finalizing the budget, all fees, charges, rates, tariffs or scales of fees or other charges relating to the letting of state property to ensure sound financial planning and management.

4.9.2 These National Treasury Regulations first came into operation on 25 May 2002 and have applied to the business of SANParks since that date.

4.9.3 Hence there is sufficient responsibility placed on SANParks under the PFMA to manage and to lease out all state assets placed under its management

and control in the Kruger National Park in a manner that is fair and equitable to all, is transparent and competitive, and occurs on a basis that is market – related and supports sound financial planning and management within SANParks.

4.10 The National Minimum Standard for Responsible Tourism (SANS 1162)

The National Minimum Standard for Responsible Tourism (SANS 1162) was developed with objective of establishing a common understanding of responsible tourism by developing a single set of standards to be applied throughout South Africa by harmonising the different sets of criteria that were used for certifying the sustainability of tourism businesses. The National Minimum Standard for Responsible Tourism consists of 41 criteria divided into four categories i.e. sustainable operations and management, economic criteria, Social and cultural criteria and environmental criteria.

4.11 The National Development Plan

4.11.1 The National Development Plan aims to eliminate poverty and reduce inequality by 2030 by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships through society. The plan envisions a South Africa where everyone feels free yet bounded to others; where everyone embraces their full potential, a country where opportunity is determined not by birth, but by ability, education and hard work. Realising such a society will require transformation of the economy and focussed efforts to build the country's capabilities. While the achievement of the objectives of the National Development Plan requires progress on a broad front, three priorities stand out:

- 4.11.1.1 raising employment through faster economic growth;
- 4.11.1.2 improving the quality of education, skills development and innovation;
and
- 4.11.1.3 building the capability of the state to play a developmental, transformative role.

4.12 SANParks Beneficiation Scheme

4.12.1 SANParks has a mandate to promote and give priority to indigenous landowner communities to participate in equity ownership interests in the Concessions. To achieve this mandate and objective, SANParks shall ensure that potential Concessionaires offer the indigenous landowner communities the opportunity to secure shareholding on commercial terms in PPP concessions.

4.12.2 Where SANParks has identified opportunities for participation for the indigenous landowner communities, SANParks is required to specify the equity set aside for participation of indigenous landowner communities in the procurement documentation for that commercial activity. No equity set aside is proposed for this Concession Opportunity.

4.13 **Tourism B-BBEE Charter and Tourism PPP Toolkit**

4.13.1 In 2004 the National Treasury published a Private Public Partnership (PPP) Manual to serve as a guide in all PPP agreements between Government Institutions and private parties.

4.13.2 In November 2005, the Tourism PPP Toolkit was published. The Toolkit as well as the above-mentioned policy documents informed our analysis and recommendations on the possible B-BBEE and socio-economic benefits of this PPP.

4.13.3 In 2005, the Tourism B-BBEE Charter was published in the Government Gazette to highlight the commitment of all the stakeholders in the Tourism Sector for the empowerment and transformation of the sector, and to work collectively to ensure that the opportunities and benefits of the Tourism Sector are extended to Black People as well. In 2009, the Tourism B-BBEE Sector Code was published in the Government Gazette in line with the Generic Codes of Good Practice to advance the objectives of the B-BBEE Act.

4.13.4 Arising from the Amended Generic Codes of Good Practice issued in October 2013, the Amended Tourism B-BBEE Sector Code were published in November 2015 which outlines the framework and principles for the implementation of B-BBEE within the Tourism Industry.

- 4.13.5 SANParks has developed dedicated B-BBEE scorecards for the six KNP commercial opportunities that form part of this Tender, identified to achieve its socio-economic transformation objectives. The Specific Goals elements identified in SANParks B-BBEE scorecards include the following elements:
- 4.13.5.1 Ownership – targets for ownership by Black People, Black Women and Youth within a 100km radius of KNP in the private party SPV;
 - 4.13.5.2 Management Control – targets for the involvement in management of the SPV of Black People, Black Women and Youth and people from local Communities;
 - 4.13.5.3 Employment – targets for employment of Black People, Black Women, Youth and people from Local Communities at all levels;
 - 4.13.5.4 Skills Development – targets for skills development expenditure on Black People and Black Women and Youth from Local Communities and for the number of Black People participating in Learnerships, Apprenticeships and Internships;
 - 4.13.5.5 Preferential Procurement – targets for procuring goods and service from B-BBEE recognised, and Black Women and Youth from Local Community owned companies and SMMEs;
 - 4.13.5.6 Enterprise and Supplier Development – targets for contributing towards;
 - 4.13.5.6.1 Enterprise and Supplier Development of local companies; and
 - 4.13.5.6.2 Socio-economic Development – targets for contributing towards Socio- economic Development of local communities and tourism industry.
- 4.13.6 SANParks accordingly evaluates the bidders B-BBEE proposal and will allocate scores according to the methodology and weightings in the B-BBEE scorecard which is provided in the Request for Proposals (RFP).

4.14 **Land Claims**

- 4.14.1 SANParks concluded settlement agreements with successful KNP land claimants in terms of the Restitution of Land Rights Act number 22 of 1994, as amended. The Cabinet Memorandum of 2002 made it possible for the settlement of land claims within Protected Areas, where restitution is provided through ownership without settlement rights, but with arrangements for compensatory beneficiation. Land claims within SANParks were therefore settled within this 2002 framework, with the exception of KNP.
- 4.14.2 In 2008, the cabinet made a decision that the only option of the settlement for land claims within KNP is alternative redress, without restoration of land rights. The Commission on Restitution of Land Rights (CRLR), DEA and SANParks jointly informed the claimants of the Cabinet decision.
- 4.14.3 The government of the Republic of South Africa and the Dispossessed Land Owner Communities have entered into settlement agreements in respect of land previously owned by the Dispossessed Communities in KNP in terms of section 42(D) of the Restitution of Land Rights Act, 1994. Pursuant to the settlement agreements the parties agreed that restitution shall take the form of equitable redress to ensure that the continuation of conservation, protection and management of KNP is not adversely impacted by the approval of land claims. In consequence thereof, the settlement comprises two phases, namely, phase one which entails payment of financial compensation for loss of improvements that were on the claimed land at the time of dispossession and phase two which entails the development of a beneficiation scheme by SANParks to ensure that the Dispossessed Land Owner Communities benefit from commercial, job and other economic opportunities deriving from KNP ("the Beneficiation Scheme"). Bidders must refer to the Request for Proposal ("RFP") for obligations of Settlement Agreements on Concession Opportunities.

4.15 **SANParks Park Management Plans**

The National Environment Management: Protected Areas Act No. 57 of 2003 (NEM: PAA) requires that South African National Parks produces management

plans for all national parks in consultations with stakeholders. The objective of a management plan is to ensure the protection, conservation and management of the protected area concerned in a manner which is consistent with the objectives of the NEM: PAA and for the purpose it was declared. The Protected Areas Act requires that a national park be managed exclusively for the purpose for which it was declared. However, SANParks recognises that the environment is in constant flux, is interlinked with the socio-economic and political spheres and could be affected by societal values. Protected area management should therefore take cognisance of the ever-changing environment and diversity of influences, and plan accordingly. In consultation with stakeholders, SANParks revises the management plan in accordance with its internal Commercialization Strategy.

4.16 Responsible Tourism Standards

4.16.1 Responsible Tourism

Responsible Tourism is a tourism management strategy embracing planning, management, product development and marketing to bring about positive economic, social, cultural and environmental impacts. Responsible Tourism provides for the following:

- 4.16.1.1 generates economic benefits for local people and enhances the well-being of host communities;
- 4.16.1.2 improves working conditions and access to the industry;
- 4.16.1.3 involves local people in decisions that affect their lives and life chances;
- 4.16.1.4 makes positive contributions to the conservation of natural and cultural heritage to the maintenance of the world's diversity;
- 4.16.1.5 provides more enjoyable experiences for tourists through more meaningful connections with local people and a greater understanding of local cultural, social and environmental issues;
- 4.16.1.6 minimises negative economic, environmental and social impacts; and

- 4.16.1.7 is culturally sensitive, engenders respect between tourists and hosts, and builds local pride and confidence.

4.16.2 **National Responsible Tourism Guidelines**

- 4.16.2.1 In 2002, the then Department of Environmental Affairs and Tourism (“DEAT”) published National Responsible Tourism Guidelines, reflecting South Africa’s vision to manage tourism in a way that contributes to the quality of life of all South Africans. The Guidelines aim to set benchmark standards for accommodation and transport operators, tourism associations and custodians of our cultural and natural heritage. The objective is to ensure that our tourism sector keeps pace with international trends towards responsible business practice – and gains a market advantage in doing so. In 2003, DEAT published the Responsible Tourism Handbook which took it one step further by giving practical examples of how tourism operators can improve their economic, social and environmental practices.

- 4.16.2.2 Various institutions/organisations offer environmental management consulting and accreditation services to all business sectors interested in implementing environmentally friendly business practices and hence offer Environmental Rating Programmes. Such eco-labelling schemes include:

- 4.16.2.3 ISO 14001;

- 4.16.2.4 Green Globe;

- 4.16.2.5 Blue Flag;

- 4.16.2.6 NEAP;

- 4.16.2.7 Heritage;

- 4.16.2.8 Ecoquest; and

- 4.16.2.9 Fair Trade in Tourism.

4.16.3 **National Responsible Tourism Standard and SANParks Responsible Tourism Strategy**

4.16.3.1 South African National Parks has also drafted a Responsible Tourism Strategy. The purpose of this strategy is to consistently integrate the principles of the national responsible tourism guidelines (DEAT, 2002) into South African National Parks operations. The Private Party will be obliged to comply and subscribe to the minimum standards of Responsible Tourism – SANS 1162.

4.16.3.2 This strategy and plan will help to reduce fragmentation of responsible tourism activities by SANParks and its business partners, by providing a framework for a coordinated approach. It will also reduce the disparity between levels of responsible tourism practiced, monitored and reported between SANParks tourism operations and concessionaires (who are contractually required to practice responsible tourism). Implementation of strategy and plan will help address potential future problems, such as mitigation and adaptation to climate change. The strategy is also a response to the increased market demand for responsible holidays from tourists and will enable SANParks to put into place the conditions that are required to position the national park systems as responsible destinations.

4.16.3.3 The responsible tourism strategy is divided into three sections:

4.16.3.3.1 The alignment of the principles of Responsible Tourism with existing corporate values and actions, with amendments to policies and procedures to accommodate Responsible Tourism values and indicators;

4.16.3.3.2 Recommended additions to the SANParks scorecard to include Responsible Tourism indicators; and

4.16.3.3.3 Processes required to embed awareness of and decision-making and actions aligned with Responsible Tourism throughout the organization.

4.16.4 **Objectives of the Responsible Tourism Strategy**

The objectives of the responsible tourism strategy and implementation plan aim to provide a basis for decision making, and guidance for divisions to develop action plans that comply with this policy. The objectives are:

- 4.16.4.1 Align SANParks operations with the national policy on responsible tourism;
- 4.16.4.2 Enhance responsible tourism awareness and management skills among protected area managers and tourism officers and business partners within SANParks;
- 4.16.4.3 Enhance responsible tourism awareness and skills among SANParks' external stakeholders, including communities, and suppliers;
- 4.16.4.4 Integrate responsible tourism principles and actions into management plans for each national park in South Africa;
- 4.16.4.5 Establish a practical framework for monitoring, evaluation and reporting in national park destinations; and
- 4.16.4.6 Integrate responsible tourism into the performance management frameworks of the organisation, individual parks and individual staff members.

4.16.5 **Guiding Principles of the Responsible Tourism Strategy**

The guiding principles of the responsible tourism strategy and implementation plan are that they are:

- 4.16.5.1 based on the national responsible tourism guidelines (DEAT, 2002);
- 4.16.5.2 aligned with the national Minimum Standards for Responsible Tourism;
- 4.16.5.3 aligned with SANParks Corporate Strategic Business Plan, and cognisant of the Conservation Development Framework and Park Management Plans;
- 4.16.5.4 easy to understand and implement;

- 4.16.5.5 adaptive and flexible;
- 4.16.5.6 monitored at both a corporate and operational level;
- 4.16.5.7 developed and implemented through a participatory process by a broad range of SANParks stakeholders, including business partners;
- 4.16.5.8 initially focus on quick wins, which can be used to promote the responsible tourism agenda throughout the organization; and
- 4.16.5.9 address initiatives that facilitate the achievement of SANParks core objectives (e.g. better relations with local communities, reducing poaching, helping park expansion).

4.17 **Permits and Licences**

The Private Party will be required to obtain the following permits and/or licences:

- 4.17.1.1 firearm permits by law and a SANParks permit to carry and utilize within the KNP;
- 4.17.1.2 permits for game guides;
- 4.17.1.3 SANParks permits for all vehicles and drivers of Concessionaire vehicles;
- 4.17.1.4 The Private Party shall ensure that all Guides operating in the KNP and/or concession area on their behalf shall be suitably registered with the DFFE through a training provider to ensure applicable CATHSETA Accreditation is met. Note: THETA certification is still applicable if obtained previously, with condition of current DFFE registration however FGASA is not accepted by DFFE for registration. All guiding activities on the concession or KNP areas shall be with CATHSETA Accredited (Or previous THETA) guides with DFFE registration;
- 4.17.1.5 private Parties will have to apply for liquor licence (if applicable);
- 4.17.1.6 all developments are subject to an Environmental Impact Assessment (EIA) and to obtain an environmental permit from DFFE. Current Concessionaires have an EIA in place however it is linked to its SPV.

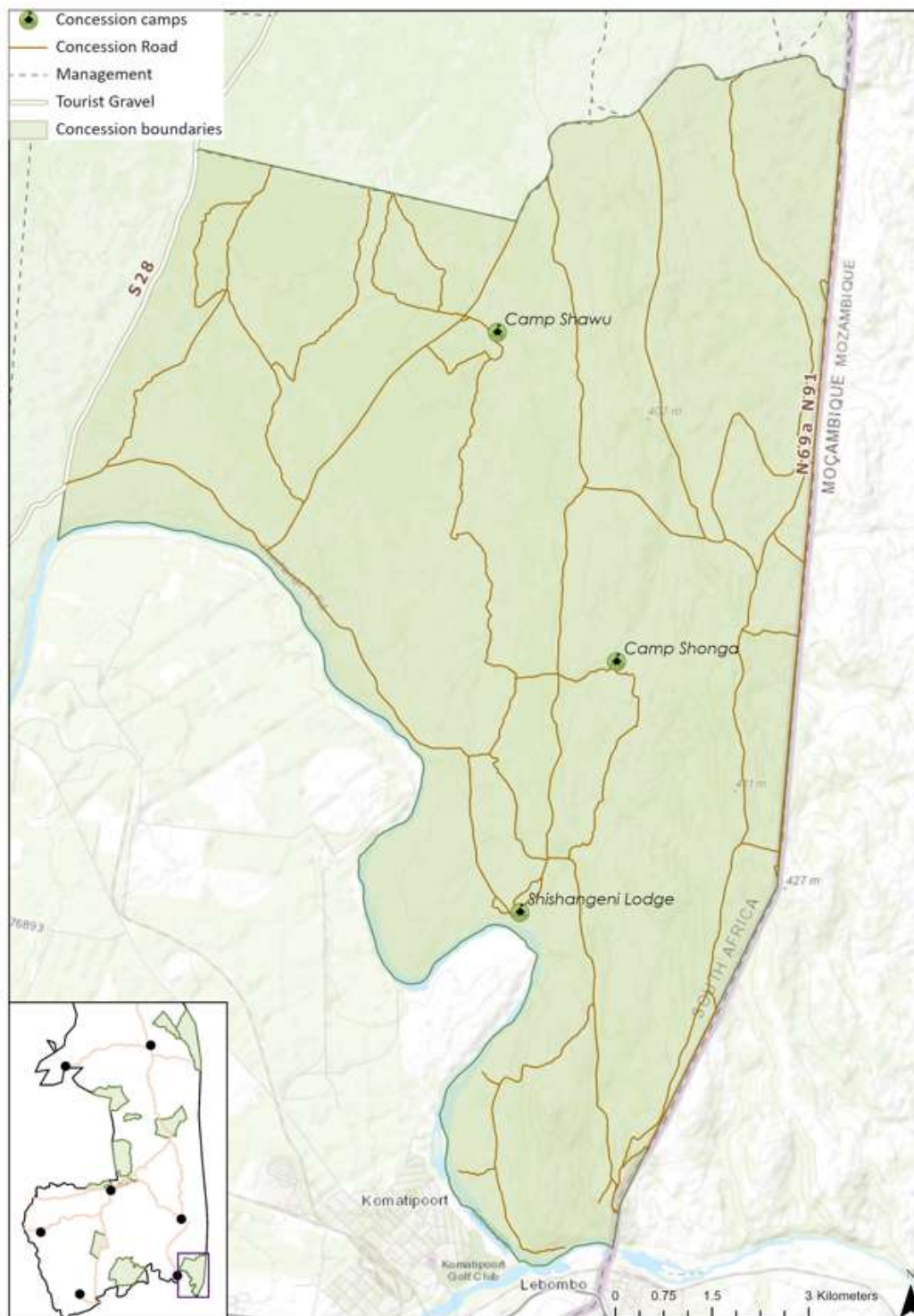
As no new additional structures are to be allowed within the footprint, the EIA can be transferred from the existing concessionaires to the Private Party SPV. The transfer period is a minimum of 30 days and a maximum of 90 days. SANParks will use all reasonable endeavours in assisting the future Concessionaire to acquire the appropriate environmental permits; however, SANParks will bear no liability for any failure of the Concessionaire to obtain such permits;

- 4.17.1.7 private Parties will be subject to the provisions of the Competition Act;
- 4.17.1.8 if a particular site is declared a national monument, any development requires the approval by the Minister and will be subjected to a Heritage Impact Assessment (HIA);
- 4.17.1.9 compliance with the certification and permits identified in ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS; and
- 4.17.1.10 water licences are required for the Private Party SPV as issued by the DWS as per ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS. The licence is held by the current Concessionaire SPV and should be transferred to the new Private Party SPV. The minimum period for a transfer is 30 days. SANParks will use all reasonable endeavours in assisting the future Concessionaire to acquire the appropriate environmental permits; however, SANParks will bear no liability for any failure of the Concessionaire to obtain such permits.

5. DESCRIPTION OF THE PPP OPPORTUNITY FOR THE MPANAMANA CONCESSION DEVELOPMENT IN THE KRUGER NATIONAL PARK

5.1 Introduction

- 5.1.1 The Mpanamana Concession is located in the KNP, Off S28, ±20 km from Crocodile Bridge Gate.



5.1.2 The Concession currently comprises 3 camps with lodges, currently known as Shishangeni Lodge, Camp Shonga, Camp Shawu.

5.1.3 The co-ordinates for the main lodge is: -25.38914993882095, 31.974830927115963 (G-Map).

- 5.1.4 The total number of beds and persons at the Concession is 64 Guests beds and 30 Staff beds. A maximum of 80 people including guest and resident staff are noted as the limits allowed on the concession. Shishangeni Lodge has 22 rooms (44 guests) Units, with Camp Shonga (thatched tented camp) accommodating 10 guests in 5 individual luxury tents and Camp Shawu with 5 Units (10 guests).
- 5.1.5 The size of the concession is approximate 15,000ha with 34km of game drive roads and 75Km of Maximum Allowable new roads permissible upon approval.
- 5.1.6 Concession has limited road networks, game drives also extend to KNP roads.
- 5.2 **Minimum Development Specification**
- 5.2.1 Also refer ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS.
- 5.2.2 The Private Party will bear the cost of any upgrading of existing facilities including roads, buildings and infrastructure within the current Footprint as specified below.
- 5.2.3 Any changes requested require Detailed Design and must be prepared by the Private party and should be in accordance with the findings of an EIA and Best Industry Practice and SANParks and National Building Code requirements – See ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS.
- 5.2.4 This should be accompanied by a Project Schedule to enable SANParks to confirm any Construction Works – See ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS.
- 5.2.5 The Private Party will be expected to adhere to the Minimum Development Specifications as follows:

Minimum Development Specifications	
Beds (the exact number of beds to be in accordance with the approved extended Design Plan and to include guest and staff beds)	32 guest units, 64 guest Beds. (please note the limitations as per 5.1.4) - Staff accommodation on site has 30 beds (please note the limitations as per 5.1.4) 3 Lodges/Camps in the concession
Restaurant	Y
Cocktail Bar	Y
Pool	Y
Parking area at restaurant	Not applicable
Reception and lobby	Y
Porter service	Y
Housekeeping	Y
Laundry / Dry cleaning	Y (Limited based on water usage restrictions)
Internal & External Communication systems	Y
Air-conditioning	Y

Minimum Development Specifications	
Safety & Security	Yes – Full fencing and primate deterrence system (in conjunction with SANParks)
Recognised Operating System & Software	Y

5.3 Description of the Existing Physical Facilities

5.3.1 The following comprises a high-level description of the physical facilities/area within the existing footprint. Bidders are to use this description as a guide and undertake their own investigations to assess the facilities and plan its future physical facilities proposal.

5.3.2 Shishangeni Lodge (Main Lodge):

5.3.2.1 Modern and contemporary with curved shapes and forms.

5.3.2.2 Combination of thatch and flat concrete roofs with painted plastered walls.

5.3.2.3 Upper Ground level with main facilities as Dining area (inside and outside seating) wooden outside decks, lounge seating with bar & fireplace, kitchen, curio shop, admin offices and public toilets including MIP toilet.

5.3.2.4 Lower ground level with support services as conference room, small gym., pool & soccer game table, seating, small library/reading area, public toilets, admin offices, laundry store, staff change facilities, bulk storerooms and deliveries.

5.3.2.5 Communal rim-flow pool with thatched Lapa and seating area.

5.3.2.6 Boma with thatched servicing area and fire pit.

5.3.2.7 22 rooms (44 guests) Units 5 & 6 and 21 & 22 are joined with interleading door as family units.

5.3.2.7.1 Thatch and painted plastered brick walls

5.3.2.7.2 Inside bed with lounge area and fireplace

5.3.2.7.3 Outside seating on open wooden deck

5.3.2.7.4 En-suite bathroom with bath and outside shower

5.3.2.7.5 Raised wooden walkways

5.3.3 Camp Shonga (thatched tented camp):

5.3.3.1 Accommodates 10 guests in 5 individual luxury tents

5.3.3.2 Timber structure with timber floors, thatched roofs and canvas walls

5.3.3.3 Lounge area with fireplace and open outside seating deck

5.3.3.4 Dining area with fireplace.

5.3.3.5 Public toilets

5.3.3.6 Communal pool with seating deck around pool

5.3.3.7 Boma enclosed with vertical laths.

5.3.3.8 Raised wooden walkways.

5.3.3.9 Two staff units for camp manager and game ranger.

5.3.4 Camp Shawu

5.3.4.1 Thatched timber structure with wooden floor and traditional lime-washed lath and mud plastered walls.

5.3.4.2 Indoor and outdoor deck dining area and lounge seating area.

- 5.3.4.3 Kitchen and support services.
- 5.3.4.4 Public toilets separate from main building
- 5.3.4.5 Communal pool with seating deck.
- 5.3.4.6 5 Units (10 guests)
- 5.3.4.7 Thatched units and finished as per main building
- 5.3.4.8 Inside bed and lounge area with fireplace.
- 5.3.4.9 En-suite bathroom with bath and outside shower.
- 5.3.4.10 Open outside seating deck.
- 5.3.4.11 Unit 3 with outside jacuzzi on deck.
- 5.3.4.12 Wooden walkways.

5.4 **Housing**

- 5.4.1 The human footprint must be kept to a minimum to comply with Park regulations - staff are encouraged to live outside the park.
- 5.4.2 The following staff housing is provided for:
 - 5.4.2.1 30 Beds for staff to stay either permanently or temporarily on site.
 - 5.4.2.2 Staff accommodation must comply with national building regulations and requirements and the standards specified in ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS.
 - 5.4.2.3 SANParks will allow only single/couple accommodation units and not dormitory structures.
 - 5.4.2.4 Staff accommodation must not be visible from tourist roads.

- 5.4.2.5 Waste from staff accommodation areas must be sorted according to type, stored in enclosures & trucked out of KNP.
- 5.4.2.6 Staff must observe official speed limits of the park.
- 5.4.2.7 Staff must take special care when driving at night to limit road kills in cases where after-hours driving is authorised.
- 5.4.2.8 Parts of the existing staff housing at the Mpanamana Concession are not in reasonable condition and it is required that the Private Party bid considers the quantity, structure and quality of staff housing and provide proposals of how it could be improved.
- 5.4.2.9 Shishangeni Staff areas are separate from the main lodge and fenced off (drive to and from). Old army barracks and four timber Wendy huts and remainder of staff accommodation in asbestos structures. Requires attention and refurbishment.
- 5.4.2.10 Shonga & Shawu –Two staff units each for camp manager and game ranger on site. Both camps timber structures with wooden floors and thatched roofs.
- 5.4.2.11 Concessionaire to note that all asbestos structures to comply with the Asbestos Abatement Regulations of 2020. Staff areas is observed to require major attention and refurbishment.

6. MARKET OVERVIEW

6.1 SANParks Market Performance

- 6.1.1 As of FY24/25 SANParks' conservation mandate extends to 20 national parks, of which 3 are heritage sites and 10 are marine protected areas (MPAs), with the Karoo Fossil Park as a proposed expansion on a long term planning scale, and the Wilderness Section no longer formally being integrated under the Garden Route National Park. Groenkloof Nature Reserve was previously managed by SANParks, however is no longer a declared National Park.

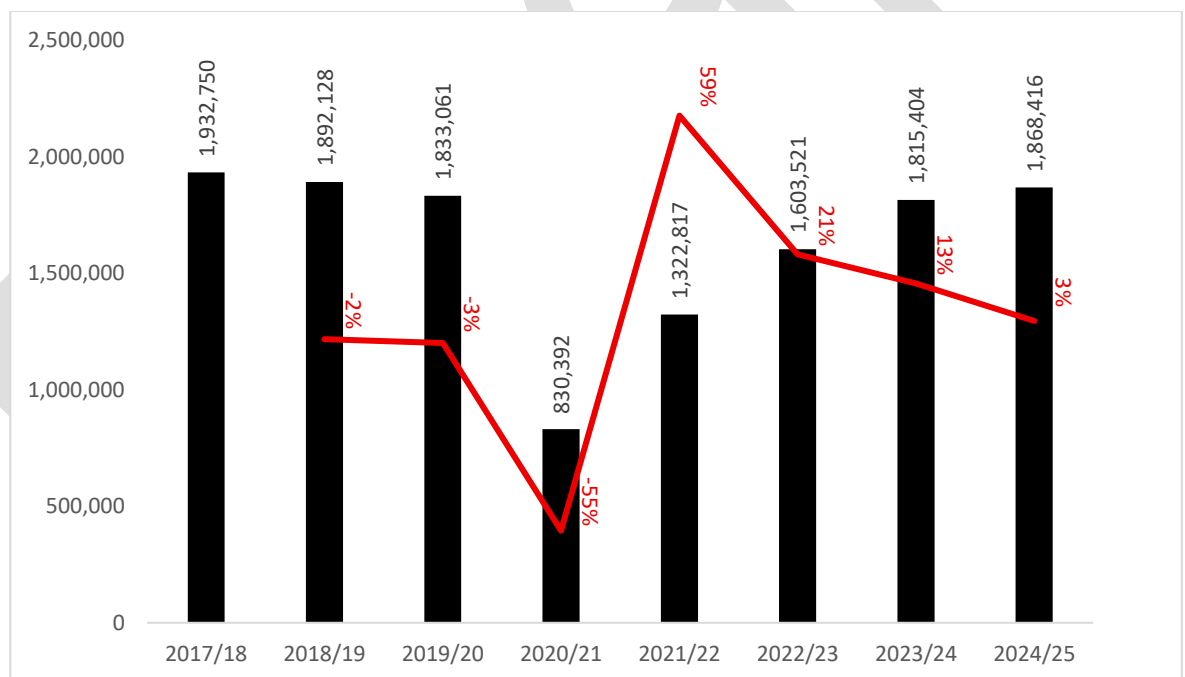
- 6.1.2 The terrestrial protected areas are 100% state owned with SANParks managing 70% of the national estate. SANParks manages 22% of the state-managed MPAs. There are five parks which are considered transfrontier conservation areas, these include; Kruger, Kgalagadi, Maloti-Drakensberg, Mapungubwe-Limpopo/Shashe, and Richtersveld.
- 6.1.3 SANParks aims to exceed pre-COVID tourism performance by FY2025/26. The 2025-2026 Annual Performance Plan indicates that a key result area is improved tourism performance. Actual FY23/24 results saw a total of 22.3% increase in guests to the parks from the previous year, 6 070 046 as compared to 4 962 074. The performance results for 2024/25 shows a 5% increase on the previous year, resulting in 6 373 548 guests to the parks. The medium-term target for 2025/26 is a 4% increase on the previous year, estimated at 6 628 490.
- 6.1.4 The unit occupancy for 2024/25 is 66.8%, up from 64.9% in the previous year. Camping occupancy however decreased slightly over the same period from increased from 51.3% to 49.7%. This resulted in slightly lower number of bed/person nights sold (1.89 million versus 1.91 million).
- 6.1.5 As per SANParks 2025/26 Annual Performance Plan, Tourism revenue remains the primary revenue driver for SANParks, where over a five-year period, R7.6 billion was generated, with nearly 32 million visitors recorded. Through a SWOT analysis, SANParks highlighted several opportunities, with diversification through multiple revenue streams as a result of eco-tourism and aviation tourism being key drivers.
- 6.1.6 Concessions (and PPPs) are continuing to be pursued by SANParks as part of its commercialization strategy to achieve growth in product diversity and tourism revenue. Five new public-private partnerships (PPPs) were concluded for the 2022/23 year, namely, Skukuza Safari Lodge, Golden Gate Dinosaur Centre kiosk and curio shop, Kruger National Park North spa, Augrabies restaurant and retail facilities and the Golden Gate zipline. Revenue from concession operators increased by 170,2% from R37,9 million to R102,4 million in 2022/23, which exceeded the budgeted R44,1 million by 132,0%. The realised figure for April 2019 to March 2020 was R98 million. The budgeted amount was exceeded as conservative budgeting was

implemented due to the uncertainty of the pandemic. Although Concession revenue represents only 6% of total revenue in 2022/23 it is anticipated to increase as the number of opportunities increase over time.

6.2 Kruger National Park Market Performance

6.2.1 When considering the number of guests to the Kruger National Park (Figure 12.1), it is observed that there is slight recovery in the number of guests to the park between the periods of 2022/23 and 2023/24 (13.2%). The FY 2024/25 period observed over 1.86 million visitors, this is still relatively below the pre-COVID 2018/19 visitation numbers which were over 1.89 million. In comparison 2024/25 indicates a 3% increase in visitation numbers compared to 2023/24.

Guests to KNP



Source: SANParks

6.2.2 In the 2021/22 year, 94% of guests to the Kruger National Park were South African residents, down from 69% in 2018/19, while 5% were from overseas/ other African countries (down from 28% share of guests in 2018/19). A small portion (0.73%) were SADC Nationals in 2021/22, down from 2,2% in 2018/19. By 2023/24 this picture has changed significantly with the return of

the foreign visitors and South African residents being only 73% of total visitors and overseas visitors back at a respectable 24%.

6.2.3

The data shows that in 2021/22 the domestic market is at 95% of pre-pandemic levels. However, the shortfall in demand is primarily from the SADC and overseas/ rest of Africa markets, which are yet to recover to pre-pandemic levels. In 2021/22, the SADC market was only at 21% of pre-pandemic levels and overseas/ rest of Africa at 13,5%. However, by 2023/24 the number of South African visitors have far exceeded the highest levels achieved in 2018/19 at just above 1.5 million visitors. SADC visitor numbers also exceed previous highs whilst foreign visitors are still below that achieved between 2017 and 2019 but back to a respectable level.

Origin of Guests for the KNP

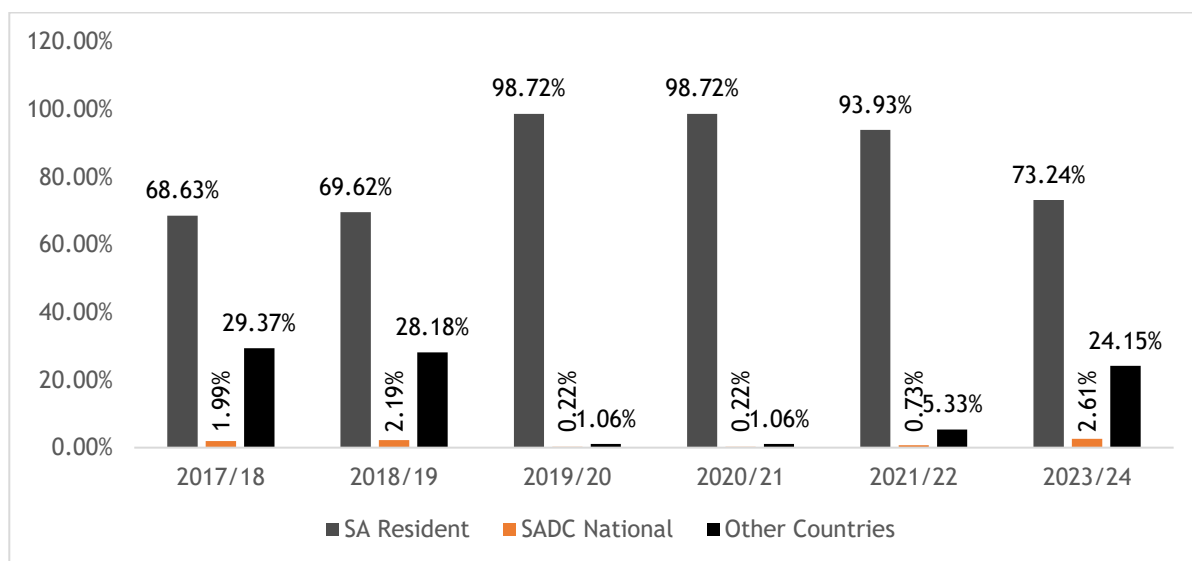
Origin of Guests		2023/24	2021/ 22	2020/ 21	2019/20	2018/ 19	2017/ 18
SA Resident	Number	1 534 213	1 242 541	819 726	1 267 391	1 317 393	1 326 527
	% of total	73.24%	93.93%	98.72%	69.14%	69.62%	68.63%
SADC National	Number	54 758	9 707	1 847	46 738	41 525	38 496
	% of total	2.61%	0.73%	0.22%	2.55%	2.19%	1.99%
Other Countries	Number	505 933	70 569	8 819	518 932	533 210	567 727
	% of total	24.15%	5.33%	1.06%	28.31%	28.18%	29.37%

Source: SANParks

6.2.4

The majority of guests that visited the Kruger National Park have always been South African residents over the period 2017/18 - 2024, SADC nationals only made up a small percentage of the visitors.

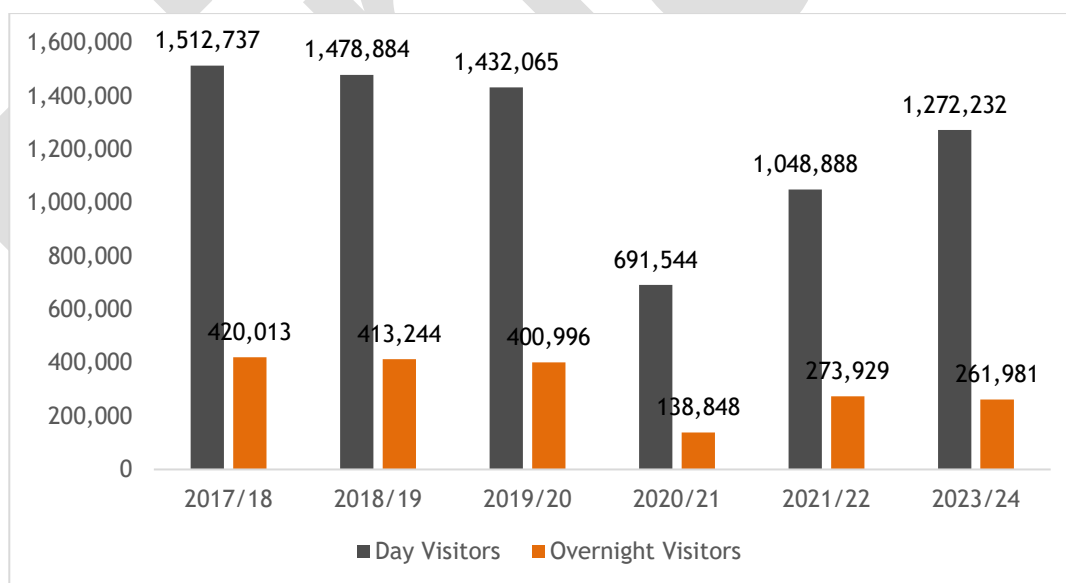
Origin of Guests to the Kruger National Park



Source: SANParks

6.2.5 Over the past 5 years, around 75% of all visitors to the Kruger National Park were day trippers while only 25% were overnight visitors to the park.

Number of Day and Overnight visitors to the Kruger National Park

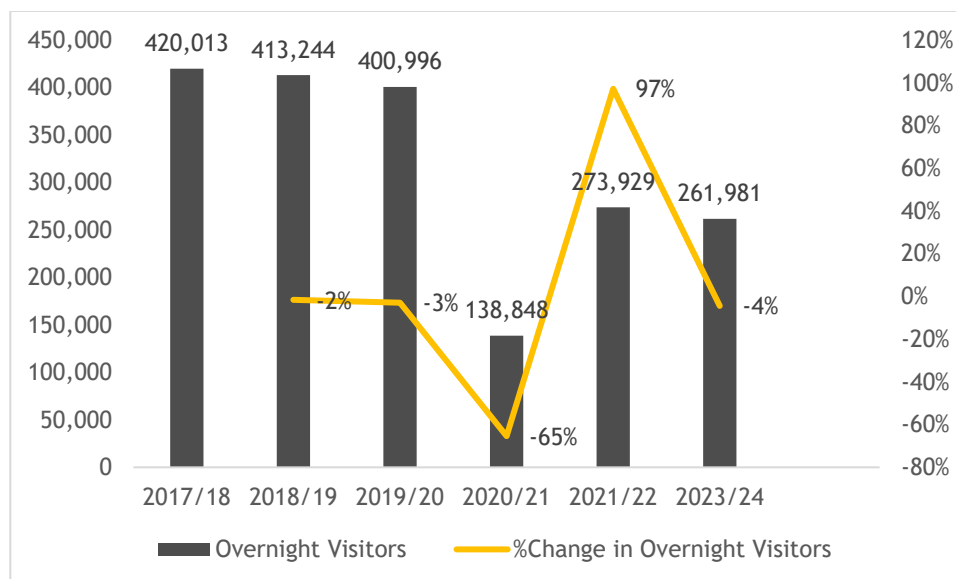


Source: SANParks

6.2.6 There was a 3% decrease in the number of overnight visitors between 2018/19 – 2019/20; a further 65% decrease in the number of visitors was experienced between 2019/20 – 2020/21 due to the Covid-10 pandemic. A 97% recovery in the number of day visitors was experienced between

2020/21 - 2021/22, however, the number of overnight visitors had only recovered to 68% of pre-pandemic numbers. 2023 overnight visitors lagged slightly behind 2021/22 numbers.

Overnight visitors to the Kruger National Park



Source: SANParks

- 6.2.7 The table below illustrates the bed, unit and camp site occupancy rates achieved across all accommodations in the Kruger National Park from 2017/18 to 2024/25.
- 6.2.8 The bed occupancy rates post-2020 continues to increase year on year, for 2024/25 the growth rate observes an increase 2.7% (up to 57.4%). The unit occupancy rates observed a rapid increase after 2020/21 and then slowly start levelling off with 4.0% growth being obtained in 2024/25. The 2024/25 camp site occupancy is 68.4% which is a 1.1% decrease from the 69.5% observed for 2023/24.

KNP Occupancy Rates

Years	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Bed Occupancy	57.4%	54.7%	53.6%	48.4%	23.8%	60.6%	63.0%	64.5%
% Growth	2.7%	1.1%	5.2%	24.6%	-36.8%	-2.4%	-1.5%	-
Unit Occupancy	75.4%	71.4%	68.8%	61.0%	29.6%	78.0%	81.3%	83.7%
% Growth	4.0%	2.6%	7.8%	31.4%	-48.4%	-3.3%	-2.4%	-

Camp Site Occupancy	68.4%	69.5%	67.5%	71.9%	38.7%	67.4%	69.0%	69.8%
% Growth	-1.1%	2.0%	-4.4%	33.2%	-28.7%	-1.6%	-0.8%	-

Source: SANParks

6.2.9 KNP is achieving positive growth rates for both bed occupancy and unit occupancy with a slight decrease in the growth rates of camp site occupancy rates.

6.2.10 It has to be noted that the concession market is included in the number of visitors to the KNP but not in the occupancy statistics.

6.3 Kruger National Park Concession Market

6.3.1 The six KNP lodge concessions that forms part of this Tender (Jock of the Bushveld, Mluwati, Lwakhale, Jakkalsbessie, Mutlumuvi and Mpanamana) compares on par with the private game lodge competitive market on the periphery of the KNP in respect of size and facilities offered (4 to 22 units per camp compared to 2 to 19 units per camp in competitive facilities; 10 rooms/19 beds in 6 KNP Concessions compared to 7 rooms/13 beds in competitive facilities).

6.3.2 The type of units across the 6 KNP Concessions are similar in range (tents, rooms/suites, villas) to the competitive facilities. The range of other facilities (private plunge pools, lodge pools, salas, spa/wellness treatments, gift shop, restaurant, lounge and bar) are similar to competitive facilities. Some of the concessions have special areas such as cellars, libraries, exercise rooms similar to competitive facilities.

6.3.3 The 6 KNP Concessions perform slightly lower than competitors in respect of average stay, occupancy and rates:

6.3.3.1 The average night stay is slightly shorter in KNP concessions compared to competitive facilities.

6.3.3.2 The bed occupancies lower than competitors by between 7 and 10 percentage points.

6.3.3.3 KNP rates per person per night are similar to competitors on a lower scale but lower on top scale.

- 6.3.3.4 According to the tourist trade, the above difference in performance is mainly due to perceived better game drive experience in the private lodges where off-road driving is more prevalent whereas the concessions within the KNP is limited to not driving off road at night, not at riverbeds, not on certain soil types or certain vegetation at a specified time of year, etc.

7. PPP AGREEMENT

7.1 Term of Agreement

- 7.1.1 The term of the PPP Agreement shall be for 25 (twenty-five) years.

7.2 PPP Concession Fees

- 7.2.1 Under the PPP Agreement, the Concession Fee payable to SANParks, is specified as a monthly fee (calculated in arrears) equal to the higher of:

- 7.2.1.1 a minimum fixed rental PPP fee, which is [Rx per month] (increased annually by CPIX); and

- 7.2.1.2 or a variable PPP fee (a flat percentage of gross revenue earned by the private party in each project year).

- 7.2.1.3 Please note: SANParks will not consider a minimum fixed rental PPP fee of less than R375 000 per month in the first full year of operations and R500 000 per month in the second full year of operations. The Private Party should take this into consideration in developing its PPP fee offer.

- 7.2.2 The PPP Fee shall accrue and be payable to SANParks by the Private Party within 7 (seven) business days following the end of each month, free of deduction or setoff.

- 7.2.3 For purposes of reconciling the PPP Fees payable to SANParks in any given Financial Year, the Private Party shall, within 120 (one hundred and twenty) days after the end of each Financial Year, furnish its audited financial statements to SANParks, whereafter SANParks shall verify and reconcile the PPP Fees due against the PPP Fees actually paid in the relevant

Financial Year. If this figure is different from the Calculated Annual Concession Fee which has already been paid for that Concession Year the difference will be paid by means of an adjustment to the next payment due by the Concessionaire to SANParks within 30 (thirty) Business Days.

- 7.2.4 Any overdue payment by the Private Party shall be subject to an interest charge as per SANParks' Financial Rules and Regulations.

7.3 Principal Obligations of the Private Party

SANParks requires the successful Private Party to comply with the following:

- 7.3.1 The Private Party is obliged to acquire SANParks' consent prior to making use of any SANParks trade names and or logos in any way.
- 7.3.2 The Private Party must adhere to SANParks conservation regulations and operating requirements set out in the KNP Operating Manual.
- 7.3.3 The Private Party must adhere to the SANParks normal operating hours for transportation of guests, goods and service and through SANParks designated entrance gates. Extended gate opening times for staff will be permitted from 03:30 to 23:30 at the nearest entrance gate to the Concession Area under controlled conditions (i.e. only scheduled trips to transport staff leaving or arriving for shifts. Related additional costs will be for the Concessionaire's account. The Concessionaire must develop an After-Hours Travel Procedure (AHTP).
- 7.3.4 The Private Party is obliged to procure adequate insurance for the Concession Area and other insurable properties including property and casualty insurance, business interruption insurance, third party liability and employer's liability insurance.
- 7.3.5 The Private Party is obliged to disclose all aspects of the business to SANParks and their representatives.
- 7.3.6 The Private Party is responsible for the submission of audit reports, and any other reports and information, as contractually required by SANParks.

- 7.3.7 The Private Party will be required to obtain all relevant and third-party insurances.
- 7.3.8 The Private Party's financial obligations shall not impact on SANParks, and the Private Party will need to provide SANParks with its annual financial statements and required financial audits.
- 7.3.9 The Private Party will be obliged to apply for and obtain all relevant and necessary operating licences.
- 7.3.10 The Private Party is obliged not to pledge the credit of SANParks in any form.
- 7.3.11 The Private Party is required to operate according to hours specified by SANParks and in terms of the KNP Operating Manual.
- 7.3.12 The Private Party is obliged to acquire SANParks consent prior to any changes being made to the shareholding of the Private Party.
- 7.3.13 At the time of submitting the Bid, each Pre-qualified Bidder for Bid Package 1 must submit a single Bid and Performance Bond of R0,5 million in the format to be provided in the RFP. The purpose of the Bid and Performance Bond is to ensure that all Bidders present valid and serious Bids, and that the winning Bidder subsequently executes the PPP Agreement. The Bid Bonds of unsuccessful Bidders shall be returned to them following signature of the PPP Agreement.
- 7.3.14 The Private Party is responsible for the transport of their employees from the workplace to the living quarters, particularly after-hours transport where living quarters are logistically distanced from the Development. In the event that SANParks transport can be utilized, the related cost of transport will be for the Private Party's account.
- 7.3.15 The Private Party is obliged to transport their staff to the required medical facilities. In the event that SANParks transport can be utilized, the related cost of transport will be for the Private Party's account.
- 7.3.16 The Private Party is obliged to adhere to the KNP PPP Concession Operations Manual ("Operations Manual"); a copy will be distributed to Bidders in due course. The Private Party Operations Manual will define the

roles, responsibilities and procedures with regard to housing, transport of staff, maintenance, infrastructural upgrades and expansions, employee beds of the Private Party.

- 7.3.17 The Private Party is encouraged to look at options to cater for people with disability and provide universal access at the Concession Area.
- 7.3.18 The Private Party is obliged to comply with and adhere to SANParks Policies and KNP Operations Manual.
- 7.3.19 The Private Party is obliged to adhere to SANParks' B-BBEE obligations as per the Tourism Sector Code, SANParks Commercialisation Strategy and SANParks Beneficiation Scheme. For the purposes of this Tender, these obligations have been incorporated into a dedicated project Scorecard. Please refer to RECOMMENDED SANPARKS BROAD BASED BLACK ECONOMIC EMPOWERMENT SCORECARD FOR THE TENDER OF SIX KNP CONCESSIONS in the RFP.
- 7.3.20 The Private Party is obliged to adhere to SANParks' preferential procurement policies. For the purposes of this Tender, these obligations have been incorporated into a dedicated project Scorecard. Please refer to RECOMMENDED SANPARKS BROAD BASED BLACK ECONOMIC EMPOWERMENT SCORECARD FOR THE TENDER OF SIX KNP CONCESSIONS in the RFP.
- 7.3.21 The Private Party is obliged to adhere to existing Environmental Authorisations and relevant Environmental Regulations, and KNP Operations Manual Environmental Guidelines. Please refer to ANNEXURE B – ENVIRONMENTAL GUIDELINES FOR PRIVATE PARTY'S OPERATION WITHIN THE SOUTH AFRICAN NATIONAL PARKS.
- 7.3.22 It has to be noted that local municipalities surrounding the KNP have been pursuing the payment of rates and taxes and the adherence to municipal regulations such as building plan approvals, electricity permits, etc. The Private Party needs to plan for this possibility.

7.4 **Principal Obligations of SANParks**

7.4.1 SANParks shall give reasonable assistance in the form of advice, introductions and documentary support to the Private Party in its dealings with Relevant Authorities and otherwise in connection with obtaining the necessary licences and permits.

7.4.2 SANParks will operate and manage the Park and will promote it in such manner as to ensure the continued viability and sustainability of KNP as a National Park and as a sustainable and attractive tourist and conservation undertaking.

7.5 **Performance Standards**

7.5.1 The Private Party will be responsible for the development, financing, management and operation of the Concession Area.

7.5.2 SANParks shall require the Private Party to perform to certain standards including but not limited to:

7.5.2.1 Quality standards and best industry practice;

7.5.2.2 Manage social media and reputation management in accordance with best industry practice;

7.5.2.3 Green principles have been applied in the construction process and the Private Party is expected to apply green principles in the management of the property.

7.5.2.4 Adhere to industry standards in respect of Green Operations;

7.5.2.5 The Environmental Guidelines for Concessionaire's operation within South African National Parks;

7.5.2.6 The SANS 1162:2016 South African National Standard Responsible Tourism Requirements as further described in ANNEXURE D – SANS 1162:2016 – SOUTH AFRICAN NATIONAL STANDARD RESPONSIBLE TOURISM REQUIREMENTS of this Information Memorandum;

7.5.2.7 The National Responsible Tourism Guidelines as further described in section 4 of the Information Memorandum;

- 7.5.2.8 The Responsible Toolkit Assessment System when completed;
- 7.5.2.9 The applicable Regulatory Provisions, prevailing laws, policy directives and standards of the State and any Relevant Authority and where appropriate Park Regulations, Park Rules and Park Management Plan; and
- 7.5.2.10 Accreditation from the Tourism Grading Council of South Africa ("TGCSA").
- 7.5.2.10.1 Such accreditation will be compulsory and should be obtained within 12 months from Operation Commencement Date and renewed thereafter on an annual basis.
- 7.5.2.10.2 Failure to obtain and maintain the applicable grading will be grounds for termination of the PPP Agreement.
- 7.5.2.10.3 Information on the TGCSA accreditation, categories, process etc. can be obtained from the website: www.tourismgrading.co.za.
- 7.6 **Access**
- SANParks shall ensure that, for the duration of the PPP Agreement, the Private Party, its guests, employees, agents and invitees have reasonable access to the Concession Area and Kruger National Park, subject to the provisions of the PPP Agreement, the Park Rules and other regulations, or legislation, which may be in place from time to time.
- 7.7 **Exclusivity**
- The Private Party shall be entitled to the exclusive rights to operate the camps, lodges, restaurants and commercial establishments and/or facilities within the Concession Area.
- 7.8 **Branding**
- 7.8.1 The Private Party will not be obliged to use the SANParks Protected Name trademark in the naming and branding of the accommodation establishment at the Concession Area;

7.8.2 In the event that the Private Party elects to use the SANParks Protected Name trademark, the conditions of the paragraphs below will be applicable:

7.8.2.1 Where the Concession Area operates under the SANParks Protected Name and the Private Party elects to use the SANParks' protected name in combination with the Private Party's name of election, such will be with the consent of SANParks.

7.8.2.2 The use of SANParks Protected Name outside the Concession Area may not be used without SANParks' prior written consent.

7.8.2.3 Where the Concession Area operates under the SANParks Protected Name, at the end of the term of the PPP Agreement, SANParks shall retain the name of the Concession Area and the Private Party shall cease to operate or conduct any business using the Protected Name in singular, combination or in association with any other name.

7.8.2.4 Where the chosen name of the Concession Area by a Private Party is linked to a landmark surrounding the Concession Area, the name shall be deemed to be SANParks Protected Name at the end of the PPP Agreement.

7.8.2.5 For avoidance of doubt, reference to landmark shall carry the ordinary dictionary meaning and shall include, a name of a mountain, road, river, prominent or indigenous vegetation, objects or any feature the Concession Area or Kruger National Park Protected Area is recognised for.

7.9 **Intellectual Property**

7.9.1 The use of any branding, logo, trademark, trade name, get up, signage, outdoor advertising, promotion, promotional or marketing material or other proprietary intellectual property in connection with the Project Site shall require the prior written approval of SANParks.

7.9.2 It is specifically recorded that all intellectual property rights whatsoever, whether capable of registration or not, regarding SANParks' trademarks, names, logo, image and all other intellectual property matters relating to

SANParks, its name, logo and/or image shall remain the sole property of SANParks.

- 7.9.3 Subject to existing rights and obligations, SANParks shall, on application by the Private Party, grant a non-exclusive right and licence to the Private Party to use SANParks' trademarks which relate to the Concession Area. Should any of SANParks' trademarks, names, logos, images and all other intellectual property matters be required for use outside of the PPP Agreement, they will be subject to terms and conditions negotiated with SANParks. This includes the granting of licences to trade merchandise with SANParks' trademarks, names, logos, images and all other intellectual property matters outside of SANParks' retail facilities.
- 7.9.4 In order to establish and maintain high standards of style, quality and proprietary associated with the Concession Area, in the event the Private Party desires to use SANParks' trademarks or logos which relate to the Park in any way, the Private Party shall first submit the concept or a sample of the proposed use to SANParks for approval. Under no circumstances shall any use of SANParks' trademarks or logos, which relate to the Concession Area, or the image or likeness of any trademark, logo or image, which SANParks in good faith believes reflects unfavourably upon or disparages the Park, be approved. If SANParks approves the concept or sample, the Private Party shall not depart therefrom in any material respect without SANParks' further written approval.
- 7.9.5 If at any time SANParks withdraws its approval for the specified use of any trademark or logo, the Private Party shall forthwith discontinue all use of SANParks' trademark or logo and shall remove from public sale or distribution, any previously approved product in respect of which SANParks has rescinded approval.
- 7.9.6 The Private Party acknowledges that the name of the SANParks Protected Name is associated with and peculiar to the Concession Area and is the intellectual property of SANParks. Consequently, the Private Party agrees that the sole and exclusive ownership of the Protected Name shall vest in SANParks, and should the Private Party utilise the Protected Name, it does

so only in terms of the PPP Agreement and with the prior written approval of SANParks.

7.9.7 In circumstances where the Private Party utilises any of the Protected Names, either singularly or in combination or association with any other name, it does so only in terms of the PPP Agreement and on termination of the PPP Agreement, the Private Party shall not be entitled to operate or conduct any business using the Protected Name in combination or association with any other name.

7.9.8 In circumstances where the name chosen by the Private Party and approved by SANParks is not part of SANParks' intellectual property, then the rights of SANParks contemplated in this paragraph will not be applicable and the intellectual property will be the sole property of the Private Party.

7.10 **Staff - Transfer of Existing Employees – Section 197 of the Labour Relations Act**

7.10.1 SANParks has determined that the termination and/or expiry of the term of the current Concession Contract triggers the requirements of section 197 of the LRA, regarding the transfer of the existing employees of the Concessionaire exclusively employed within the Concession Area to the Private Party.

7.10.2 Section 197 places a duty of care on the new and previous employer who concludes a transfer of employee contracts of employment or a business to ensure that the same benefits of the employees are reserved.

7.10.3 The Private Party is obliged to undertake, as of the Effective Date, to offer employment to all existing Concessionaire employees working exclusively in the Concession Area on terms equivalent to those offered by the Private Party to other employees for similar positions.

7.11 **Monitoring**

7.11.1 The Private Party is obliged to adhere to the monitoring of the Private Party Performance and compliance with the Concession Area environmental guidelines, water and sanitation guidelines, B-BBEE obligations, finance obligations and maintenance obligations among others in accordance with

the KNP Concession Operating Manual and Concession Area's Operations Manual to be provided.

- 7.11.2 The Private Party agrees to cooperate with SANParks in compiling a monitoring checklist that encompasses all environmental conditions. The checklist would be used for auditing purposes and would be conducted on a quarterly basis; and
- 7.11.3 The Private Party agrees that SANParks will monitor, evaluate and score the operations (based on the line items in the checklist) and that a score of less than 85% for three (3) consecutive audits would imply a material breach of the PPP Agreement.
- 7.11.4 SANParks has the right to undertake necessary conservation management activities in all of the Project Sites.
- 7.11.5 The Private Party must participate in any relevant SANParks-Private Parties forums and comply with any standards thereby agreed or established.

8. ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS

8.1 Private Party Requirements:

8.1.1 The Private Party will be expected to:

8.1.2 In co-operation with SANParks, manage, operate and maintain the Mpanamana Concession, in a manner that allows for the desired objectives to be achieved.

8.1.3 Co-operate with SANParks in general and fit the property into both the SANParks and their own brand of properties.

8.1.4 Accept the limitations of operating conditions and rules and regulations that prevail in Kruger National Park.

8.1.5 Carry out advertising, marketing and sales that are both site specific and for their group in general. Preparedness to participate in trade shows under both the SANParks banner and their own brand.

8.1.6 Comply with conditions set out in the current applicable Kruger National Park Management Plan.

8.2 Private Party Responsibility:

8.2.1 The Private Party shall be solely responsible for the maintenance of the lodge and support infrastructure (internal and external included access roads).

8.2.2 The Private Party shall be solely responsible for the upgrade and maintenance of the lodge and support infrastructure (internal and external) for compliance with (where applicable):

8.2.2.1 SANS 10400 : National Building Regulations

8.2.2.2 SANS Specifications

8.2.2.3 SANS 1200 : Standardized Specification for Civil Engineering Construction (All Parts)

- 8.2.2.4 Occupational Health & Safety Act 85 of 1993
- 8.2.3 Periodical structural inspections of building infrastructure must be conducted according to SANS 13822.
- 8.2.4 The Private Party shall be responsible for all the maintenance and renovation of all finishes and fittings of the interior and exterior of the guest and general areas/buildings including roofs, electrical light fittings, sanitary ware, ironmongery, tiling, plastering, plumbing and painting. It includes but not limited to the following:
 - 8.2.4.1 Building Infrastructure
 - 8.2.4.2 The periodical structural inspections of existing building infrastructure were introduced with the promulgation of the Occupational Health and Safety Act (85/1993) - Section 11.2. Requirements governing periodic structural inspection of existing buildings are stipulated in Part 11 of the OHSA Regulations
 - 8.2.4.3 The inspections are to be carried out strictly to the required SANS 13822: 2016, (Basis for design of structures- Assessment of existing structures)
 - 8.2.4.4 Periodic structural inspections are carried out based on the following frequency:
 - 8.2.4.4.1 An owner (in this instance the Private Party) of a structure must ensure that-inspections are carried out periodically by competent persons in order to render the structure safe for continued use;
 - 8.2.4.4.2 That the inspections contemplated above are carried out at least once every six months for the first two years and thereafter yearly;
 - 8.2.4.4.3 The records of inspections and maintenance are kept and made available on the request of the KNP Inspector.
 - 8.2.4.5 The inspection consists of one or both of the following stages:
 - 8.2.4.5.1 Stage 1: Preliminary Assessment - Visual Inspection

8.2.4.5.2 Stage 2: Detailed Assessment - Full Structural Investigation

8.2.4.5.3 Stage 3: Intervention.

8.2.4.6 The Owner (in this instance the Private Party) must ensure the structure is maintained in such a manner that it remains safe for continued use.

8.2.4.7 The records of inspections and maintenance are kept and made available on request to an Inspector.

Maintenance and Renovation Requirement:

8.2.4.8 Internal and external wall finishes (plastering, painting, tiling, cladding);

8.2.4.9 Private Party to ensure that plaster cracks in external and internal walls are repaired and walls re-painted.

8.2.4.10 Private Party to ensure that painted external and internal walls are maintained and re-painted as and when required.

8.2.4.11 Private Party to ensure that wall tiling in kitchen, on exposed corners, are protected with corner-protectors.

8.2.4.12 Internal and external floor finishes (screed, tiling, tinted granos, carpets, timber decking and concrete/paved aprons);

8.2.4.12.1 Private Party to ensure that internal floor tiling is maintained and repaired.

8.2.4.12.2 Private Party to ensure that timber decking is sanded and sealed as and when required.

8.2.4.12.3 Private Party to ensure that when the kitchen floor finish is upgraded, coved skirtings are fitted between the wall and floor tiling.

- 8.2.4.12.4 External concrete/paved aprons, 900 mm wide concrete/paved aprons are to be placed against buildings (BOH), along roof overhangs that are without gutters and rainwater downpipes.
- 8.2.4.13 Sanitary fittings where these falls within the footprint area (basins, sinks, toilets, urinals);
- Periodic inspections to ensure that no cracks develop in porcelain sanitary fittings.
- 8.2.4.14 Internal and external plumbing (all internal piping, valves and taps);
- Periodic inspections to ensure no water leaks in piping, valve and tap washers are maintained to avoid water wastage.
- 8.2.4.15 Internal and external doors – Private Party to ensure that BOH doors are protected by means of stainless-steel kick and push plates.
- 8.2.4.16 Gas bottles/cylinders (LP Gas)
- The Private Party needs to ensure that the gas cylinder installation and equipment complies with SANS 10087 legislation and is serviced/tested or replaced accordingly.
- 8.2.4.17 Water sources – Borehole, storage tanks, main supply pipeline and pumps. Compliance with SANS 1200 - Standardized Specification for Civil Engineering Construction (All Parts)
- 8.2.4.18 Internal waste drainage system (all internal piping up to and including the first fat trap or gulley situated on the outside of the building);
- Periodic inspections to ensure that there is no build-up of fat/grease in piping.
 - Periodic inspections to ensure that fat traps and/or gulleys are cleaned-out at regular intervals.
- 8.2.4.19 Ceilings, air conditioning, and geysers;
- Ceilings

- Private Party to ensure that ceilings in kitchens are maintained and painted with anti-mould and anti-bacterial paint.
- Private Party to ensure that kitchen concrete ceiling soffits are plastered and painted as above.
- General HVAC Systems
 - Compliance with Occupational Health and Safety Act 85 of 1993.
 - Compliance with SANS 10142-1 The wiring of premises Part 1- Low-voltage installations.
 - Compliance with SANS 10400 The application of the National Building Regulations – Part A: General principles and requirements.
 - Compliance with SANS10400-O - Part O Lighting and ventilation.
 - Periodic inspections to ensure heat loads in areas do not change due to equipment upgrades or additions.
- Toilet extract systems
 - Periodic inspections to all toilet extract air are operational and is directly or ducted to the outside as per SANS10400-O - Part O Lighting and ventilation.
- DX, Chiller water and Heat pump systems
 - To assess DX systems used and to determine whether environmentally friendly and safe refrigerants are used. If units use refrigerants like R22 or other HCFC, a plan to replace them with an approved alternative drop-in refrigerant should be made. Drop-in refrigerants are acceptable for short-term solutions but a more sustainable plan to replace these units needs to be in place and executed soonest.
 - Periodic cleaning and replacement of filters as required.
- Ducted HVAC systems

- Periodic inspections to ensure all ducted systems for operations of fire dampers.
- Periodic inspections to ensure no leakage and potential energy losses in duct runs.
- Bidder to observe filtered make-up air to kitchen and service areas. Also, the canopy sizes currently installed for the equipment it needs to serve in terms of SANS1850ED2 and SANS 10400

8.2.4.20

Roofs and all external infrastructure relating to the lodge;

- Private Party to ensure that roof leaks are repaired on sheeted and thatched roofs.
- Thatched roofs:
 - Periodic inspections to be carried out and any relevant maintenance work to be done i.e. Re-ridging and/or patching or total re-thatch.
 - Thatch to be cleaned every now and then by raking to remove moss and leaves.
 - Thatch is to be brushed every 5-8 yrs. to ensure no deep rotting or thatch degeneration occurs.

8.2.4.21

Compliance with SANS standard for Grey water plant, storage tanks and fire-fighting systems.

8.2.5

The Private Party shall be responsible for all kitchen and laundry equipment, including the walk-in cool rooms and freezers with their refrigeration equipment.

- Kitchen canopies
 - Periodic inspections to ensure all extract ventilation for kitchens to be complaint and operational. All baffle filters are to be kept clean for hygiene and to prevent potential fires.
 - The canopy shall always exceed the plan dimensions of the catering equipment by a minimum of 250 mm on each free side, and by 250 mm at the front and rear and for certain types of baking ovens and combi steamers the overhang at the front should be increased to a minimum of 600 mm.

- Ducting shall be of minimum dimensions 400 mm × 450 mm with cleaning and inspection hatches at 2m intervals.
- Make up air to be supplied at a high level and fitted with a 45% efficiency filter. This can be done mechanically or naturally. Mechanical is controlled and thus preferred.
- The velocity of air flow through the baffle slits shall be not less than 1, 2 m/s and not more than 2.8 m/s.
- Canopy exhaust to be 300mm above roof top level.
- The underside of the front part of the canopy should be located between 2 m and 2,1 m above the finished floor level.
- No spiral type ducting to be used for exhaust ducting.
- Cool and freezer rooms
 - To do periodic inspections to operation of freezer and cold rooms and no ice buildup on coils. If so, refrigerant charge to be checked to ensure no refrigerant leaks are present.
- Ducted Industrial Laundry Systems
 - Periodic inspections to ensure laundry dryer ducts are free from lint to prevent fire hazard and to ensure dryers operate optimally.

8.2.6

The Private Party shall maintain all walkways, parking areas, stairs, handrails, retaining structures, fencing, gardens, irrigation systems, swimming pool, health gym, grey water plant and drainage structures to ensure that it is in good working order and safe for public use.

- Access roads with efficient stormwater drainage to the Lodge (Roads must be operated and maintained as per the contents of the SANParks Roads Manual).
- Swimming pool pump and filtration system. Periodic inspections to ensure all swimming pool pump and filtration systems are clean and that media filters are backwashed as needed.
- The borrow pits to be used by the Concessionaires during the construction phase will be determined by the SR and the Division Technical Services and submitted in writing to the Concessionaire. After the construction phase, the SR, Technical Services

representative and the Concessionaire must determine the “life pits” to be used during the operational phase of the concession.

- The use of gravel during the operational phase of the Concession will have to comply with the following guidelines:
 - The Concessionaire must consult with the SR/PM who will inform the Division: Technical Services of the intention to use one or more of the gravel pits for whatever purpose, i.e. maintaining of roads.
 - The use of the gravel pit must comply with the stipulations of the Environmental Management Plan (EMP) for the Operational Phase drafted during the EIA process.
 - The local SR must monitor the use of the gravel pit/s to ensure compliance with the EMP.
 - Gravel Roads in fair to condition and reasonably well maintained with the current concession road network consists of the following:
 - Lower Lebombo Road = 8 km
 - Shawu Road = 6.5 km
 - Mpanamana Road = 8km
 - River Road = 11 km
 - TOTAL = 33.5 km
- In terms of the current KNP Rules and government legislation, no new gravel pits may be developed in a national park. However, SANParks have approved in principal that where an existing gravel pit is not economically viable to use, the Concessionaire may apply for a new pit by completing a full EIA. Final approval will depend on the merits of each case. The KNP is in a process to rationalise gravel pits and the use thereof in the park and has no desire to open up new gravel pits.
- Maintenance of roads will vary between the CA's and needs to be done in consultation with the SANParks Technical Services Department.
- The main access road to Shishangeni lodge crosses a few water bodies by means of low-water concrete drifts. The drifts are not in very good condition. During heavy rainstorms these drift flood and can obstruct direct access to the camp

- In some CAs, however, it may be necessary to import gravel for hardening and capping certain roads to ensure year-round access. The locations of 'borrow pits' or quarries for this purpose must be done in consultation with Park staff and subject to an EIA. If gravel must be imported from outside the Park, the Concessionaire must notify SANParks, and SANParks will ensure that the gravel comes from an acceptable source.
- Gravel pits must be used and rehabilitated according to the stipulations of the Operational EMP and "Specifications for Construction of Roads in the KNP and Concession Areas" document.

8.2.7 The Private Party needs to ensure that the firefighting equipment complies with applicable legislation and is serviced/tested or replaced accordingly.

8.2.8 The Private Party shall be required to develop and adhere to a whole lifecycle costing and maintenance regime.

8.2.9 The Private Party will provide monthly water and electrical readings to SANParks and ensure that the annual water and energy saving targets are achieved.

8.2.10 The Private Party will ensure that the staff housing allocated are well maintained and included in the maintenance plan.

8.2.11 Should the Private Party make changes and improvements to any structures within the footprint of the lodge, the Private Party is obliged to adhere to the latest recommendations of the following South African Standards:

- MIP facilities – SANS 10400 Part S - Facilities for Persons with Disabilities.
- Swimming Pools – SANS 10400 Part D – Public Safety
- Balustrades – SANS 10400 Part D – Public Safety
- Stairs – SANS 10400 Part M – Stairways

8.3 Electrical

8.3.1 The Concession currently has a main connection from Eskom

8.3.2 Should the Private Party connect to the electrical grid, the electrical installation shall be maintained / upgraded to comply with the latest recommendations of the following South African Standards were applicable:

- Occupational Health & Safety Act 85 of 1993
- SANS 10400: National Building Regulations
- SANS 10400XA: National Building Regulations Part XA – Energy Usage
- SANS 10142-1: The wiring of premises – Part 1.
- SANS 10142-2: The wiring of premises – Part 2
- SANS 10114-1: Artificial Lighting
- SANS 10114-2: Emergency Lighting
- SANS 10313: Lightning Protection of Structures
- SANS 62305: Protection against lightning
- SANS 10139: Fire detection and alarm systems for buildings
- SANS 8528 (Part 1-10): Standard for reciprocating internal combustion engine driven alternating current generator sets.

8.3.3 Sustainability & Electrical Performance Requirements

- The total electrical consumption per annum may not exceed the maximum value of 125kWh/m²/a (SANS 10400XA: Classification = H1; Energy Zone = 5).

Smart metering shall be installed to ensure that monthly / annual energy usage is recorded.

- Renewable energy is playing a significant role in the energy sector of South Africa with the primary renewal energies being solar, wind, hydroelectric and biomass. The initial target/guideline shall be 15-20% of the overall energy usage must be from a renewable source. The ultimate target during the concession period is that the bidder shall endeavour to have the renewable energy as the primary source and generators as secondary source (backup).

Based on site conditions, solar generated energy, by means of photovoltaic and solar heating, shall be implemented to reduce the use of

fossil fuel generated power. The bidder shall determine the maximum size and nature of the solar farm or localized solar installations (i.e. rooftops) based on the environmental considerations as prescribed by SANParks.

The bidder shall indicate the proposed time frames on the implementation of the renewable energy as per the proposed maximum size for generation and storage.

8.3.4 Electrical Mains Connection

8.3.4.1 Shishangeni has got a 315kVA Eskom mains connection, located at the staff accommodation. 200kVA 400V/3.3kV step-up / step-down transformers supply power to the main lodge and staff accommodation.

8.3.4.2 A 150kVA emergency standby generator is also located at this point. The generator was out of service during the inspection. A 100kVA mobile generator has been installed at Shishangeni due to the main generator not being operational. This generator was also not operational during the inspection. Change over panel has fire damage. Generator connection to Main distribution DB not done correctly.

8.3.4.3 No photovoltaic system for Shishangeni.

8.3.4.4 Shonga has no Eskom connection and is supplied via a 150kVA generator. The generator alternator has been replaced due to condensation, when alternator replacement was done, damage was caused to the diesel base tank, diesel is supplied via an external Jojo tank. An Inverter with battery back-up has been installed to supply a fan in the generator to reduce condensate in the engine.

8.3.4.5 Shawu has no Eskom connection and is supplied via a 6.5kWp PV system with 22x2V/1000Ah batteries, and a 150kVA emergency standby generator.

8.3.4.6

The Private Party should note that diesel generators are not part of the Immovables as included in the Residual Value. Should the Private Party plan to continue with diesel generation, the following applies:

- It is recommended that the Electricity uptime needs to be kept at a minimum level of 95%. Generator sets must comply with SANS 8528 – Parts 1 to 10, including the following:
 - Sound attenuation: 70dB @ 7m radius
 - Diesel storage (i.e. under / above ground storage) that complies with the following standards:
 - An above ground bulk fuel tank shall be manufactured, supplied and installed.
 - The tank installation shall conform to SANS 0131 and SANS 089 as amended and shall form part of this contract. Special attention to be given to SANS 089 Parts 2 and 3 as amended.
 - A drawing indicating the position of the bulk tank must be submitted to the following institutions for approval and certification:
 - SANParks
 - Local Fire Department (where applicable)
 - SANParks / fire department must do site inspections during the installation of any new tank.
 - New installations - The tank supplier shall be required to issue a certificate when the installation is complete.
 - The bulk tank shall be fitted with an alarm to provide an audible alarm on the generator control panel when the fuel level in the tank drops to below 25%. All the required connection pipes, valves etc. shall be supplied, installed and connected with the bulk fuel tank.
 - The bulk tank shall automatically refuel the day tank when the day tank. Fuel transfer pumps

shall be supplied and installed as backup to the gravity feed system. These pumps shall be positive displacement vane pumps. The pumps shall be controlled by means of the day tank level switch.

- The bulk storage tank shall be positioned at least 3m away from any building structure.
- The bulk diesel tank shall be provided with a bund wall to contain any spillage and shall be rated to 110% capacity of the diesel storage vessel.
- With the procurement of any new generator, the concessionaire shall ensure that the unit shall have the correct emission certification as per the recommendations of the Green Building Council of South Africa: Tier 3 (minimum)
- Generator maintenance needs to be planned and conducted during off – peak low occupancy times so that the impact of downtime is minimal.

8.4 Earthing and Lightning Protection

8.4.1 Earthing and bonding shall be done in accordance with SANS 10142-1 and special attention must be given to the effect of aging thatch and steel structures.

8.4.2 Structures shall be protected against lightning strikes in accordance with SANS 10313 & SANS 62305. Careful consideration shall be given to the following “types of loss” criteria:

- loss of human life (including permanent injury);
- loss of cultural heritage;
- loss of economic value (structure, its content, and loss of activity).

8.5 Internal Electrical Installations

8.5.1 In general, the bidder shall ensure that the internal electrical installation shall comply with the latest recommendations of SANS 10142-1 (Wiring of

premises). Remedial action shall be required to replace aging / non-functioning / non-compliant electrical protection equipment, outlets, lights and cabling.

8.5.2 Periodic inspections shall be conducted on all distribution boards and ensure that the Electrical Certificates of Compliance are still valid.

8.5.3 Artificial illumination shall be maintained / upgraded to the recommendations of SANS 10114-1 & 10114-2. Special attention shall be given to the following areas:

- Communal areas
- Back of house areas (i.e. kitchens, laundries, general work areas)
- External walkways

8.5.4 Emergency lighting shall be provided as required by the OHS act 85 of 1993 and SANS 10114-2. In general, all escape routes shall be provided with battery back-up lighting.

8.5.5 The external lighting must be designed/upgraded to limit light pollution in line with recommendations of the Green Building Council of South Africa.

8.6 Waste

8.6.1 Waste management to adhere to SANParks' waste management guidelines / Latest version of the Department of Environmental Affairs – National Environmental Management: Waste Act;

8.6.2 Following appointment of the Private Party, a waste stream analysis to be conducted to confirm whether the lodges waste facility has sufficient capacity or if waste needs to be disposed of outside of the park at an authorised disposal facility; and

8.6.3 Disposal of waste at the lodges waste facility would be subject to fees being payable in line with KNP Tariff Document.

8.6.4 Currently on the concession, waste is stored in wheely bins in steel cage and collected & sorted by local community twice a week or subject to occupancy.

8.7 Water

8.7.1 The lodge must abide by the latest approved requirement WATER USE PROTOCOL FOR KNP CONCESSIONS and the **DEPARTMENT OF WATER AND SANITATION - NATIONAL NORMS AND STANDARDS FOR DOMESTIC WATER AND SANITATION SERVICES.**

8.7.2 Note: All water for irrigation and game water holes at lodges and staff housing must come from grey water systems (as per Annexure A3 of the KNP Concession Operations Manual – Guidelines for the Provision of Artificial Water in the KNP Concession Areas).

8.7.3 Shishangeni: The water source is mainly by pumping from the crocodile river. A back-up borehole is also available. The site is equipped with a water purification plant located at the staff camp. With a reticulation system supplying the main camp.

8.7.4 Shonga: The water source is borehole. The site is equipped with a water purification plant.

8.7.5 Shawu: The water source is borehole. The site is equipped with a water purification plant.

8.7.6 Water Allocation Formula

8.7.6.1 It is agreed between SANParks and the concessions that an allocation will be calculated using set bed numbers (guests and staff) and not with variable amounts. Variable amounts used for the allocation can only be calculated in retrospect at the end of each month and therefore makes rectification overdue. The approach is to use the set and agreed bed numbers for each lodge and have a set water allocation for each concession. This makes for improved monitoring and rectification.

8.7.6.2 *Example of a water allocation for a 30-bed lodge with 60 permanent staff and 25-day staff for a 30-day month:*

Guests: $350 \text{ l} \times 30 \text{ guests} \times 30 \text{ days} = 315\,000 \text{ l}$

Permanent Staff: $270 \text{ l} \times 60 \text{ staff} \times 30 \text{ days} = 486\,000 \text{ l}$

Day Staff: 40 l x 25 staff x 30 days = 30 000 l

Total Water Allocation = 831 000 l / month.

8.7.7 Drinking water treatment: Shishangeni - Main Camp

8.7.7.1 This site uses borehole as its primary supply and river supply during rainy season. The site is equipped with a water treatment plant. This plant consists of a manually chlorinated raw water tank, a cartridge filter system, water softener and staged reverse osmosis system. Chemical dosing is also present. Thorough water analysis to be done to assess if plant is sufficient to produce water according to SANS 241-1

8.7.8 Drinking water treatment: Shonga Lodge

8.7.8.1 This site uses borehole as its primary. The site is equipped with a water treatment plant. This plant consists of a cartridge filter system, water softener and staged reverse osmosis system. Chemical dosing is also present. The plant was not operational during the visit. Thorough water analysis to be done to assess if plant is sufficient to produce water according to SANS 241-1

8.7.9 Drinking water treatment: Shawu Lodge

8.7.9.1 This site uses borehole as its primary. The site is equipped with a water treatment plant. This plant consists of a cartridge filter system, water softener and staged reverse osmosis system. Chemical dosing is also present. The plant was operational during the visit but was manually operated due to a leak in the pipe reticulation. Thorough water analysis to be done to assess if plant is sufficient to produce water according to SANS 241-1

8.7.10 The South African National Standard (SANS) 241 Drinking Water Specification states the minimum requirements for potable water to be considered safe for human consumption. The below tables outline these requirements. Requirements include microbiological, physical, aesthetic and chemical properties. These should be tested every 6 months or when non-conformance is suspected. Records of all tests should be kept on site.

Microbiological determinants

Determinant	Unit	Risk	Standard Limit
E. coli / faecal coliforms	(count per 100 mL)	Acute health	Not Detected
Cryptosporidium spp	(count per 10 Litre)	Acute health	Not Detected
Giardia spp	(count per 10 Litre)	Acute health	Not Detected
Total Coliforms	(count per 100 mL)	Operational	≤10
Heterotrophic Plate Count	(count per 1 mL)	Operational	≤1000
Somatic Coliphages	(count per 10 mL)	Operational	Not Detected

Physical and Aesthetic determinants

Determinant	Unit	Risk	Standard Limit
Colour	(mg / L as Pt-Co)	Aesthetic	≤ 15
Conductivity @ 25°C	(mS / m)	Aesthetic	≤ 170
Total Dissolved Solids	(mg / L)	Aesthetic	≤ 1200
Turbidity	(NTU)	Operational	≤ 1
Turbidity	(NTU)	Aesthetic	≤ 5
pH @ 25°C	(pH units)	Operational	≥ 5 to ≤ 9.7

Chemical Properties – Macro determinants

Determinant	Unit	Risk	Standard Limit
Free chlorine	(mg / L as Cl ₂)	Chronic health	≤ 5
Monochloramine	(mg / L)	Chronic health	≤ 3
Nitrate	(mg / L as N)	Acute health	≤ 11
Nitrite	(mg / L as N)	Acute health	≤ 0.9
Combined nitrate plus nitrite (2)	(mg / L as N)	Acute health	≤ 1
Sulfate	(mg / L as SO ₄)	Acute health	≤ 500
Sulfate	(mg / L as SO ₄)	Aesthetic	≤ 250
Fluoride	(mg / L as F)	Chronic health	≤ 1.5
Ammonia	(mg / L as N)	Aesthetic	≤ 1.5
Chloride	(mg / L as Cl)	Aesthetic	≤ 300

8.8 Sewerage**8.8.1 Liquid Waste**

- 8.8.1.1 Weekly inspections to be conducted on all sewerage systems, e.g., liquid waste drains, grease traps, septic tanks, french drains and reed bed systems.

- 8.8.1.2 Any leakage/blockage/odour omitted from a sewerage system must be recorded and rectified as soon as possible.
- 8.8.1.3 Grey water/sewerage water discharge must be within Department of Water and Sanitation's specifications.
- 8.8.1.4 All septic tanks must be emptied with a honey sucker every 3 – 5 years or when the pit reaches 80% of capacity to remove the accumulation of sludge.
- 8.8.1.5 Shishangeni: The sewer network system consists of a series collection manhole. Each manhole is pump to a single main collection tank with submersible pump to the Reedbed Sewer System.
- 8.8.1.6 Shonga: The sewer network system consists of a series of septic tanks each connected to a soak-away system. Main area and kitchen are connected to a holding tank which requires cleaning.
- 8.8.1.7 Shawu: The sewer network system consists of a series of septic tanks each connected to a soak-away system.
- 8.8.2 Reed Bed Sewage System
- 8.8.2.1 The reedbed should be designed and operated as per SANParks specification, fenced off and electrified.
- 8.8.2.2 A firebreak must be maintained around the reed bed.
- 8.8.2.3 Reedbed walls must be cleared of woody vegetation.
- 8.8.2.4 Outflow of reedbed should be odour free and the quality must be within the prescribed SANS and Department of Water and Sanitation' standards.
- 8.8.2.5 If the system is not working correctly, there is strong possibility that the sewerage levels in effluent water will be above recommended standards. The effluent water is currently discharging to holding tanks (irrigation) or direct into the veld and with high levels of sewerage could potentially be health and environmental risks and would trigger an EIA failure.

8.9 Sustainable Sites

8.9.1 Flood Damage

8.9.1.1 The main access road to Shishangeni lodge crosses a few water bodies by means of low-water concrete drifts. The drifts are not in very good condition. During heavy rainstorms these drift flood and can obstruct direct access to the camp. Water damage visible on the inside of the main retaining wall and standing water on column support.

8.9.1.2 Shawu: The camp is situated on a large pond/dam. During the rainy season the level of the pond increases to under the viewing decks of some units. The standing water below undermines structural integrity of the columns support and needs constant upkeep and some is due for replacements.

8.9.2 Construction Activities Pollution Prevention

8.9.2.1 Building construction best management practices were integrated into the EMP as Construction Activities Pollution Prevention and will be applied on site during construction.

8.9.2.2 SANParks waste management policy for the KNP is also included for construction improvement processes in order to limit waste and pollution as a result of the construction works. This included the sorting of construction waste and diversion of waste to recycling.

8.9.3 Dust control during construction activities

8.9.3.1 As many as possible trees on the site are to be protected during construction.

8.9.4 Storm Water Quantity & Quality

8.9.4.1 Storm water management on site during construction is incorporated into the EMP for the site. The design for the Lodge also includes the harvesting of rainwater for re-use irrigation of the areas around the lodge.

- 8.9.4.2 The main access road to Shishangeni lodge crosses a few water bodies by means of low-water concrete drifts. The drifts are not in very good condition. During heavy rainstorms these drift flood and can obstruct direct access to the camp. Water damage visible on the inside of the main retaining wall
- 8.9.4.3 Shawu: The camp is situated on a large pond/dam. During the rainy season the level of the pond increases to under the viewing decks of some units.
- 8.9.5 Water Efficiency
- 8.9.5.1 Water use reduction target of 35% must be achieved with the inclusion of various water saving initiatives to be installed by the concessionaire.
- 8.9.6 Energy and Atmosphere
- 8.9.6.1 Building Commissioning Process
- 8.9.6.1.1 Commissioning will be carried out by the responsible Engineer / commissioning agent to ensure that all aspects of the services installation comply with the specification and that there are no abnormalities within the building that could affect building performance.
- 8.9.6.2 Energy Performance
- 8.9.6.2.1 An energy, thermal comfort and daylight model have been developed to assist engineers and architects in investigating different building solutions; use model for value engineering and have influenced the selection of glazing, roofing finishes, Air-conditioning Plant, Hot Water Plant & Kitchen Equipment.
- 8.9.6.3 Shading
- 8.9.6.3.1 Design incorporates shading to all glazing and special attention has been paid to east / west solar shading.
- 8.9.6.4 Energy efficient equipment

8.9.6.4.1 Where available appliances, electrical fittings and mechanical equipment with independently verified energy efficiency ratings will be selected but with recognition of the budget constraints.

8.9.6.4.2 For all new appliances and mechanical equipment, all fan coil units, extraction fans, pumps etc. will need to be rated, requiring an additional 30% to 40% increase in equipment costs.

8.9.6.5 Renewable Energy

8.9.6.5.1 Renewable energy is playing a significant role in the energy sector of South Africa with the primary renewal energies being solar, wind, hydroelectric and biomass. The cost for generating and storing solar energy is high in comparison with Eskom / generator power. The initial target/guideline should be that a percentage of the general energy usage must be from a renewable source.

8.9.6.5.2 Based on site conditions, solar generated energy, by means of a photo-voltaic solution shall be implemented to reduce the use of fossil fuel generated power. The bidder shall determine the maximum size and nature of the solar farm or localized solar installations (i.e. rooftops) based on the environmental considerations as prescribed by SANParks.

8.9.6.5.3 The bidder shall indicate the proposed time frames on the implementation of the renewable energy as per the proposed maximum size for generation and capture.

8.9.6.5.4 The renewable energy solutions proposed shall also form part of the bidders' environmental plan and associated EIA process.

8.10 ECO Audits

8.10.1 The Private Party will be required to perform quarterly audits by an appointed independent Environmental Control Officer (ECO) with approval by SANParks technical. The ECO must evaluate compliance against the environmental authorisation or any other relevant conservation aspects of managing the Lodge – a checklist of areas to be audited is to be agreed. In

addition, a staff member must be allocated to monitor environmental compliance / health & safety requirements on a day-to-day basis. Please refer to Section 7.14 for implications of non-compliance.

8.11 Hygiene Audits

- 8.11.1 The Private Party must conduct hygiene audits at the Lodge on a quarterly basis and furnish SANParks with the outcomes within five (5) business days of its completion. In the event the Private Party fails to conduct hygiene audits, then SANParks shall have the right to conduct or commission such an audit and the costs thereof shall be borne by the Private Party – a checklist of areas to be audited is to be agreed. The Private Party must at all times score a minimum of at least seventy five percent (75%) on the Hygiene Audit total quality index. Please refer to Section 7.14 for implications of non-compliance.

9. ANNEXURE B – ENVIRONMENTAL GUIDELINES FOR PRIVATE PARTY'S OPERATION WITHIN THE SOUTH AFRICAN NATIONAL PARKS

9.1 Introduction

9.1.1 This is an undertaking by the Private Party to conduct, manage and carry out the Project at all times in an environmentally responsible way by adopting appropriate operating methods and practices for conducting such a Project in a proclaimed National Park.

9.1.2 The Private Party must take all reasonable steps in conducting the Project to prevent and limit the occurrence of any Environmental and/or health hazards and to ensure the health and safety of the Private Parties, the public, and the surrounding environment.

9.2 Legislative Basis for these Guidelines

9.2.1 SANParks is bound by a number of statutes with relevance to environmental management of Parks, including (without limitation) the National Environmental Management: Protected Areas Act, 2003 (Act No. 57 of 2003) (NEM:PAA); the National Water Act, 1998 (Act No. 36 of 1998); the Water Services Act, 1997 (Act No. 108 of 1997); the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA); the National Environmental Management: Air Quality Act, 2004 (Act No 39 of 2004); the Hazardous Substances Act, 1973 (Act No 15 of 1973); and the National Heritage Resources Act, 1999 (Act No 25 of 1999).

9.2.2 The authorisation of any development and activities in a Protected Area is governed by the NEMA and the NEM:PAA. Any changes to infrastructure or operations require written approval from SANParks and are subject to the prescribed policies and procedures.

9.2.3 The process for the development, refurbishment, maintenance, and operation of any commercial facilities must be undertaken as per SANParks internal policies and procedures, and authorisations obtained by the Department of Forestry, Fisheries and the Environment (DFFE) and other relevant permit issuing authorities.

- 9.2.4 Given that the development is taking place within a National Park, a scoping report must be submitted to DFFE, the "relevant environmental authority" as defined in the EIA Guideline documents.¹
- 9.2.5 A Private Party proposing any significant expansions or structural modifications should anticipate that a Basic Assessment Report (BAR) or an EIA will be required and should factor the cost of carrying this out into their financial projections.
- 9.2.6 SANParks will have a role in the BAR / EIA process, both as an Interested and Affected Party (IAP), and as the regulatory authority with jurisdiction over the Protected Area. It will be DFFE's responsibility to determine whether, on the basis of information provided in the scoping report, a detailed EIA needs to be carried out were applicable (Dependant on the Bidders proposed improvement plan)
- 9.3 **Guidelines Based on SANParks Internal Requirements**
- 9.3.1 The NEMA EIA Regulations cover many of the issues that will arise during the assessment of developments within National Parks. In addition, SANParks undertook a review of its internal policies that may impact such developments.
- 9.3.2 As a result, some of the Guidelines contained herein flow from internal SANParks management documents, such as the Kruger National Park Management Plan. In some instances, however, these documents were neither sufficiently comprehensive nor sufficiently detailed as to the allowable parameters for development by commercial Private Parties. Where this occurred, SANParks undertook an internal effort to develop the necessary Guidelines.
- 9.3.3 A series of workshops were held with SANParks conservation staff, and specifically from KNP, who assisted in establishing standards to be applied to commercial tourism developments within the Parks. Draft standards were reviewed by a wide range of professionals within SANParks, including the Manager, Environmental Management, and Park rangers, and staff from

¹In the case of the SANParks, the 'relevant environmental authority' for review of EIAs conducted in National Parks is the national Department of Forestry, Fisheries and the Environment (DFFE).

Scientific Services, Conservation Services, Park Planning, and Technical Services. The Guidelines contained herein are the result of these efforts.

9.3.4 The Environmental Guidelines set out and referred to in this document must be regarded as the first step in SANParks' efforts to compile a comprehensive Environmental Management System (EMS) for the entire Parks. Once in place, the EMS will likely be modified and refined over time, as and when needed to take into account new information, standards and conditions. Private Parties must therefore be aware that the terms and conditions set forth in these Guidelines are subject to amendment. Private Parties will be expected to comply at all times with the provisions of the Environmental Guidelines as they may change from time to time.

9.3.5 The remainder of this document presents the specific standards or parameters that the Private Party will be expected to apply to activities in its Project Site.

9.4 **Precautionary Principle**

9.4.1 Ecological and natural resource processes are not always clearly understood, nor are the interactions among such processes. SANParks recognises that issues may arise suddenly, or circumstances change, due to limitations in current knowledge. SANParks has endeavoured to identify these limitations wherever possible and to design the concession process in a way that minimises the environmental risk to the national assets under its control. However, situations may arise where changes that have not been anticipated may cause SANParks to require adaptations to the management of the area.

9.5 **Legislative Requirements**

9.5.1 All legislative requirements must be understood and complied with.

9.6 **Regulatory Provisions**

9.6.1 The Private Party must adhere to the Regulatory Provisions and the Environmental Specifications, as amended from time to time.

- 9.6.2 The Private Party must comply with its statutory duties in terms of the Environmental Laws and to take reasonable measures to prevent pollution or degradation from occurring, continuing or recurring or, in so far as such harm to the Environment is authorised by SANParks, to minimise and rectify such pollution or degradation of the Environment.

9.7 SANParks Requirements

- 9.7.1 The Private Party must comply at all times with SANParks Environmental Guidelines as they may change from time to time.
- 9.7.2 The Private Party must comply with the accreditation in terms of the National Standard for Responsible Tourism, once complete as well as any other applicable Responsible Tourism Standards as required by SANParks.

9.8 Environmental Responsibility

- 9.8.1 SANParks has an active role to play in Responsible Tourism and expects the same from Private Parties that operate in National Parks. SANParks subscribes to the minimum standard of Responsible Tourism (SANS 1162) and expects the same from Private Parties that operate commercial outlets in National Parks.
- 9.8.2 The Private Party must conduct, manage and carry out the Project at all times in an environmentally responsible way by adopting appropriate operating methods and practices for conducting such a Project in a proclaimed National Park.
- 9.8.3 The Private Party must take all reasonable steps in conducting of the Project to prevent and limit the occurrence of any environmental or health hazards and to ensure the health and safety of the Private Parties and the public.

9.9 Environmental Impact

- 9.9.1 The Private Party is expected to apply green and sustainable principles in both the management of the property and, any improvements or replacement Activities.

9.9.2 The Private Party must bring to the attention of SANParks any matter which may, in its view, have a detrimental impact on the Environment within the Facility and the Protected Area.

9.9.3 The Private Party must subscribe to the South African Sustainable Seafood Initiative (SASSI) and only sell/include fish on the menu with green status or SASSI certified.

9.10 **Code of Conduct**

9.10.1 The Private Party must induct all staff employed on the Kruger National Park's Code of Conduct.

9.10.2 The Code of Conduct must be understood by the Private Party and complied with.

9.11 **Water Management and Guidelines**

9.11.1 Water conservation measures must be implemented by the Private Party in the design and implementation of its operations (refer to ANNEXURE A – TECHNICAL SPECIFICATIONS ON PRIVATE PARTY REQUIREMENTS);

9.11.2 The Private Party must:

9.11.2.1 Monitor the use of water;

9.11.2.2 Educate staff via on-site notices on the use of water;

9.11.2.3 Set water usage targets (monitored weekly/monthly) and manage these targets; and

9.11.2.4 Aim to avoid accidental loss through effective maintenance, installing quality storage and reticulation systems, and implementing leak detection systems.

9.12 **Energy Use**

9.12.1 The Private Party must:

9.12.1.1 Measure energy use and continuously aim to implement measures to reduce energy usage until optimal levels are reached;

- 9.12.1.2 Monitor the use of energy;
- 9.12.1.3 Educate staff via on-site notices on the use of energy;
- 9.12.1.4 Set energy usage targets (monitored weekly/monthly) and manage these targets.

9.13 **Chemical Substances**

- 9.13.1 The Private Party must not sell or use (including staff of the Private Party) any of the chemicals that are banned from use in National Parks (as determined by any Environmental Manager in National Parks);
- 9.13.2 All chemicals listed as “Prohibited” may not be brought into, sold, or used in any National Park by the Private Party. The products include items such as Rattex, Finale, Dyant, Doom, and Target (an extensive list is available);
- 9.13.3 The Private Party must ensure safe storage and disposal of chemicals and their containers;
- 9.13.4 The Private Party must have a specific disposal system for toxic or other waste regarded as being dangerous under supervision of the Technical Services Department;
- 9.13.5 The Private Party must use environmentally friendly and biodegradable detergents and cleaning agents.

9.14 **Waste Management**

- 9.14.1 Liquid Wastes
 - 9.14.1.1 Liquid waste refers to the sewerage as well as grey water;
 - 9.14.1.2 The Private Party must manage liquid waste in accordance with national and local legislation requirements;
 - 9.14.1.3 The Private Party must design management techniques to be both economically viable and environmentally sustainable;

- 9.14.1.4 The Private Party must implement waste procedures that optimise the principles of waste reduction and waste recycling and ensure that the end product does not pollute the environment;
- 9.14.1.5 The Private Party must install a grease tap for:
 - 9.14.1.5.1 Pot and rinse sinks attached to dish washers;
 - 9.14.1.5.2 Fixtures or drains through which a significant amount of fats, oils, or grease may be introduced;
 - 9.14.1.5.3 Soup kettles or similar devices;
 - 9.14.1.5.4 All sinks that are used to clean any dishes, pots, pans, or cooking utensils.
- 9.14.1.6 The Private Party must implement processes and procedures which stipulate the following:
 - 9.14.1.6.1 Kitchen staff should inspect grease traps and interceptors at least monthly and maintain a log sheet of each trap inspection detailing the condition of the trap and any maintenance activity;
 - 9.14.1.6.2 That grease traps are cleaned daily; and
 - 9.14.1.6.3 That waste recovered from the grease traps be removed from the park and disposed of at an authorised facility.
- 9.14.2 Solid Wastes
 - 9.14.2.1 The Private Party must manage all waste that is generated in such a way that directly and indirectly impacts are kept to a minimum.
 - 9.14.2.2 The Private Party must achieve Solid Waste Management Best Practices, which implies the following:
 - 9.14.2.2.1 Manage solid waste from source to disposal;
 - 9.14.2.2.2 Strive to eliminate non-recyclable or hazardous packaging or containers at the procurement phase;

- 9.14.2.3 The Private Party must include the following policies in waste management:
- 9.14.2.3.1 Green Procurement Policy: This policy defines the procedures that the Private Party will implement to ensure that all produce, containers, and packaging comes from suppliers that underwrite environmental principles and that waste be recyclable as far as possible;
- 9.14.2.3.2 Hazardous Waste Policy: The Hazardous Waste Policy defines procedures that the Private Party will implement to manage any hazardous waste, to ensure that it is firstly minimised, but also that it is stored and discarded in a safe and legal way.
- 9.14.2.4 The Private Party will follow the following guidelines to minimise the effect of the solid waste on the ecosystem:
- 9.14.2.4.1 The Private Party to develop and implement an Integrated Waste Management Plan with improved and effective recycling and waste recovery towards a zero-waste goal.
- 9.14.2.4.2 Minimise solid waste production at all sources, by striving for the minimisation of all waste.
- 9.14.2.4.3 Maximise the recycling of solid waste. Glass, tin, paper, and cardboard must be sorted on site for recycling, while actual recycling will take place off site at the authorised waste disposal site.
- 9.14.2.4.4 The dumping and disposal of waste other than at the authorised waste site is strictly prohibited and failure to comply may result in a penalty.
- 9.14.2.4.5 Waste storage and sorting areas must be properly constructed and maintained. Back-of-house waste cages and waste storage areas must remain clean and secure from problem animals.
- 9.14.2.4.6 Waste storage areas must remain visually hidden from visitors to the Concession.

9.14.2.4.7 Packaging and containers given to visitors to the concession must be environmentally friendly, bio-degradable, and recyclable.

9.14.2.4.8 The distribution of plastic bags to guests is strictly prohibited and only brown paper bags are allowed to be given for the purpose of carrying items purchased.

9.14.2.4.9 The Private Party must continuously strive towards eliminating plastic water bottles and single-use plastics in their operations.

9.14.2.5 In terms of packaging the Private Party must not use the following in outside seating and eating areas as this pollutes the park:

9.14.2.5.1 Sachets (for sugar, tomato sauce, salt, and pepper, etc.);

9.14.2.5.2 Paper serviettes;

9.14.2.5.3 Butter tubs/pads;

9.14.2.5.4 Plastic straws; and

9.14.2.5.5 Plastic cutlery.

9.14.2.6 The Private Party must ensure that all areas are kept free of litter by:

9.14.2.6.1 Promoting an ethic amongst guests and staff alike.

9.14.2.6.2 Soliciting the co-operation of all staff to pick up litter wherever they find it.

9.15 **Pest Control**

9.15.1 The Private Party must comply with the SANParks Integrated Pest Management Plan.

9.15.2 Where and if required the Private Party must control bats as outlined in SANParks Integrated Pest Management Plan.

9.15.3 The Private Party must make use of preferred pest control chemicals as prescribed by SANParks.

9.16 Visual Impacts

- 9.16.1 The Private Party must obtain approval, where appropriate, for building materials to be used (where applicable) for all structures;
- 9.16.2 The Private Party must minimise the visual impacts of the development, including lighting;
- 9.16.3 The visual impacts of lightning arrestors, radio masts, Wi-Fi towers, solar systems, generators, waste storage, waste-water systems, etc (where applicable) must be minimised;
- 9.16.4 Brand signage and colours must be adapted to complement the environment; and
- 9.16.5 The Private Party must implement mitigation measures in order to reduce the visual impact in the Concession.

9.17 Monitoring

- 9.17.1 The Private Party agrees to cooperate with SANParks in compiling a monitoring checklist that encompasses all environmental conditions. The checklist would be used for auditing purposes and would be conducted on a quarterly basis; and
- 9.17.2 The Private Party agrees that SANParks will monitor, evaluate and score the operations (based on the line items in the checklist) and that a score of less than 85% for three (3) consecutive audits would imply a material breach of the PPP Agreement.
- 9.17.3 The Private Party shall in consultation with SANParks appoint an Environmental Control Officer (ECO), during both the Construction and Operational Phases. The cost of the ECO shall be borne by the Private Party. The individual appointed must be an independent consultant, as defined by the EIA Guidelines and be acceptable to SANPARKS. The appointment of the ECO is to ensure that mitigation measures and other requirements set forth in the EMP are adhered to. During the Construction Phase the ECO shall submit monthly reports, and during the Operational Phase the ECO shall submit twice-yearly reports and all findings in the report

is to be corrected by the Private Party before the next audit. In both cases, reports must be submitted to both SANPARKS and the Private Party.

9.17.4 SANParks has the right to undertake necessary conservation management activities in all of the Project Sites.

9.17.5 The Private Party must participate in any relevant SANParks-Private Parties forums and comply with any standards thereby agreed or established.

9.18 Off-Road Game Driving

9.18.1 Please refer to the SANParks Concessions Operation Manual for detail but for the purposes of this Information Memorandum the following key issues are identified:

9.18.1.1 Game drives are only permitted on designated tracks within the Concession Area. The general public road network is available for use by the Concessionaire, but normal SANParks rules will apply.

9.18.1.2 Within CA's:

- (i) Driving after dark is permitted in agreed areas up to 22h00. Driving later than this time requires SANParks approval;
- (ii) Concessionaires that are allowed to drive off-road must comply with the guidelines set out below;
- (iii) Off-road driving may only be undertaken in the event of a confirmed sighting of elephant, leopard, lion, rhino, buffalo, wild dog, and cheetah;
- (iv) Off-road driving will not be permitted in areas where Red Data Plant species are known to exist, or in any other areas that SANParks are using for conservation or other management purposes;
- (v) Vehicles driving off-road may under no circumstances follow in the tracks of another vehicle;

- (vi) NO off-road driving will be permitted at river crossings. Concessionaires wishing to drive along riverbeds must develop and carefully manage track spurs into and out of the river(s), which will count as part of the road and track network allocation;
- (vii) Off-road driving is not permitted in wet conditions, on sodic patches, or duplex soils; and
- (viii) Any off-road damage to be repaired immediately (compaction reversed, ruts erased).

10. ANNEXURE C – SANS 1162:2016 – SOUTH AFRICAN NATIONAL STANDARD RESPONSIBLE TOURISM REQUIREMENTS

- 10.1 The National Minimum Standard for Responsible Tourism (SANS 1162) was developed with objective of establishing a common understanding of responsible tourism by developing a single set of standards to be applied throughout South Africa by harmonising the different sets of criteria that were used for certifying the sustainability of tourism businesses. The National Minimum Standard for Responsible Tourism consists of 41 criteria divided into four categories i.e. sustainable operations and management, economic criteria, Social and cultural criteria and environmental criteria.

Final