



North West Parks Board

North West Province

Republic of South Africa

MEDIA RESPONSE

12 FEBRUARY 2021

City Press is pursuing a story on a contract signed between the North West Parks Board (NWPB) and Madikwe Futures Company (MFC) NPC signed in November 2018. The contract related to the "deployment of skills /resources by MFC in order to assist NWPB manage the operations of Madikwe Game Reserve (MGR) through the funding of agreed maintenance/infrastructure projects in MGR by MFC. It is stated in the contract that MFC shall contribute R10m towards its responsibilities in MGR and it will make its money through "occupancy".

- 1. Kindly explain what is meant by "occupancy" and how MFC was going to make money through it.**

“OCCUPANCY” refers to the number of guests received by the lodge. Madikwe Futures Company is a registered non-profit company in South Africa. Its primary source of funding is from guests who visit lodges in Madikwe. Each guest to Madikwe makes a contribution to MFC, which has been MFC’s primary source of funding. In addition, MFC may also source funds through donations or other sources. Hence why the occupancy level of lodges is related to funding received by MFC.

- 2. Was there an advert calling for those with interest to bid for the contract to assist NWPB with management of MGR? Was MFC appointed through open tender?**

No. MFC, as a non-profit company with directorship of Madikwe lodge Investors. MFC approached NWPB to contribute funding and resources to benefit Madikwe Game Reserve, through projects agreed to between MFC and NWPB. This was for the Investors to ensure that their Investment is well looked after.

- 3. What influenced the decision by NWPB to seek external assistance in managing MGR?**

The budget allocated to Madikwe is approximately 66% of the budget required to run operations effectively in the park. Madikwe has been running short of operational funding and critical maintenance work for some time, and the improvement of security in the light of the rhino poaching pandemic was essential. Since the concessionaires has a direct stake in the park in terms of their investment, they approached North West Parks Board with a proposal to raise funding from their visitors which can be used in the management and maintenance of the park. Throughout the years, Madikwe received assistance from individual lodges in the park – maintenance works, road works, vehicles, etc. The proposal of the non-profit MFC was to consolidate such donations or services and use them for park priorities as identified by Park management in consultation with MFC. This will result in more efficient deployment of available resources and better economics of scale and the ability to tackle larger projects. Apart from MFC there are still other NGOs who support NWPB.

4. Is the NWPB lacking in terms of capacity and resources to manage MGR?

It is a generally known fact that the State does not have sufficient funding to meet the needs placed on it. President Ramaphosa has, on more than one occasion, reached out to the private sector to assist the Public Service in its duties, and has encouraged the private sector to do so. MFC is one example of providing such assistance.

5. What has improved since MFC was brought into the fold?

- MFC has contributed in a number of ways, including for example:
- Purchasing and maintaining new bakkies and converting them to deal with off-road conditions so that NWPB anti-poaching staff can use them on patrols, and providing training course for the NWPB drivers of those vehicles;
- Creating an Operations Centre and staffing it with people primarily from villages around Madikwe;
- Purchasing 2 bush-clearing machines and hiring operators from local communities around Madikwe to clear bush encroached areas in the reserve;
- On occasions when we had flood damage to roads and dams, MFC would assist with activities such as road maintenance and dam repairs.
- Providing WIFI access to the gates and NWPB staff housing in the reserve to assist them to perform their jobs, general network coverage in the reserve is very poor and does affect operations negatively;
- MFC established a motor vehicle workshop at Vleishfontein where there was an old workshop. MFC recruited a qualified mechanic. NWPB allocated two staff members to be trained by the mechanic. MFC also funded all the tools and equipment needed to be used in the workshop.
- During the Covid-19 lockdown, MFC reallocated funds and provided monthly balanced food hampers to the poorest of the poor in two villages South East of Madikwe. Other donors did similar donations to the communities to the west of MGR

6. Where does the appointment of MFC leave the existing NWPB employees?

MFC is not involved in all operations of North West Parks Board. North West Parks Board also manages other parks in the province where MFC doesn't have any influence. MFC contributes to a subset of NWPB operations as specified in the contract. It is also important to mention, this is a 5-year agreement, with the option to renew. NWPB employees remain with the North West Parks Board, no one has lost their job as a result of MFC, and no one will lose their job. Madikwe has an approved staff structure which remains in place. So, Madikwe staff will continue to do the jobs that they have always done. The employees of NWPB who are involved in the same scope of operations that MFC assists with have benefited from MFC. MFC provides additional assistance to NWPB, and has not replaced NWPB jobs. Most of the NWPB employees have shown appreciation of the existence of MFC as some operations run smoother than before.

7. Would you say there has been harmony and a good working relationship between NWPB employees including the park manager and the MFC personnel?

The Agreement had stipulated the role of the reserve manager and the MFC manager and there had never been conflicts over those roles. Apart from the 2 trainee mechanics none of the other NWPB work directly with MFC.. They only meet in shared operations where MFC came to assist. There has been harmony and good working relations between the parties.



8. **Is MFC also collecting concession fees on behalf of the NWPB from concessionaires at MGR?**

NO, NWPB collect concession fees as per their Concession agreement. MFC only collect contributions from the guests, which is used to assist funding reserve operations

9. **Is the department as the custodian of NWPB aware of the appointment of MFC at MGR?**

YES

10. **Was the board involved in the decision to appoint MFC?**

YES, the contract was submitted to the Conservation committee of the Board, as well as the Board of Directors for approval before the contract was signed

11. **With the MFC now assisting in managing MGR, would you agree that this now means that the NWPB would not be hiring any more people and would rely on MFC which is running everything at the park from security, maintenance to anti-poaching operations among others?**

NO, I would not agree with that statement. Approved NWPB structure for the reserve operations remains and NWPB is obliged to fill all their vacant posts as MFC doesn't hold any duplicate position to the Board. None of the posts recruited in the MFC were part of NWPB approved structure.

12. **How would you describe the role of MFC at MGR against what is said by some of the disgruntled employees who feel like the company has taken over the park and that they have been sidelined as NWPB staff and that there are also duplicates in many positions?**

MFC hasn't taken over the operations of the reserve, as we have stated above, MFC is there to assist in the operations which remains to be the responsibility of the NWPB employees. There has been no duplication of functions, as MFC is working on new projects, mostly security related. There had been speculation in the beginning that MFC may want to take over but North West Parks Board remains the management authority and at the end of the day we need to account for every action in the park. We believe all the concerns and confusions have since been addressed and employees of both entities are now enjoying a harmonious working relationship. NWPB have its an approved staff structure which doesn't consider the MFC agreement and hence there's no duplicate posts

13. **Meanwhile, what has the NWPB done in terms of acting in accordance with the Public Protector's report relating to the findings of Mape and the missing R40m and the whistleblower CEO whom the PP found that he was fired for exposing what has been concealed for years with no action taken on Mape findings among others?**

This is still being investigated by the Board of Directors

14. **Where does the appointment of MFC leave the existing NWPB**

In a far much better position than before, Investors in Madikwe are happy about the improvement on the status of the reserve in issues like Security, Road Maintenance and Bush Encroachment control. NWPB operations have improved to the better as the reserve have reliable vehicles patrols .

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