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Kruger National Park, South Africa

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On this page: A case study on Kruger National Park, South Africa. Find more at the [Municipal Public-Private Partnership Framework - Project Summaries](#) section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the [Guidelines on Innovative Revenues for Infrastructure](#) section.

Project Summary:

Background

South Africa National Parks (SANParks) is a government agency under South Africa's Department of Environmental Affairs, which manages South Africa's 19 national parks. In the 1990s, SANParks began to look to PPPs as an opportunity to reduce dependence on state grants, to transfer risks to the private sector, and at the same time allow SANParks to focus on its core function, which is wildlife conservation. In 2001, SANParks decided to enter into a PPP for the operation and management of one of the biggest game reserves in Africa, the Kruger National Park, located in the Limpopo and Mpumalanga provinces of South Africa.

Project Structure

SANParks signed a concession agreement with Nature's Group, a consortium consisting of a technical partner, a financial partner, and an empowerment partner, to operate and manage Kruger National Park's 11 restaurants, two shops, and three picnic sites for a period of up to 10 years. The consortium was granted the right to operate the facilities, including the right to use, design, and construct, subject to specific parameters provided by SANParks. In return, Nature's Group pays a monthly concession fee of approximately 13 percent of its revenue.

Lessons Learned

Based on a 2004 review of the partnership between SANParks and Nature's Group by the National Business Initiative and InWent (a German capacity building foundation), the concession has resulted in a significant increase in SANParks' profits, due to the upgrading of restaurants and shops and the improvement of service quality. However, the project did face some challenges in its initial stages. These included staff resistance to the new conditions of service, such as improved performance expectations and stricter control of stocks, as well as a lack of experience on the part of the technical partner in the consortium, which resulted in poor customer service in the first year. Consequently, SANParks instructed the consortium to find a new technical partner, produce an operation manual, improve skills development, and implement an incentive program for the staff. SANParks' interventions helped save the concession from potential failure.

Through 2017, SANParks had 45 PPPs in operation across its 19 national parks, which had directly created a total of 1,946 jobs. These PPPs provide a range of facilities and services, including the development of tented camps, lodges, boutique hotels, and retail kiosks, as well as outdoor activities such as helicopter flights, hot air balloon trips, ziplining, and hiking activities.¹

Footnote 1: Dario Crespi (https://commons.wikimedia.org/wiki/File:Giraffes_in_Kruger_National_Park.jpg), <https://creativecommons.org/licenses/by-sa/4.0/legalcode>

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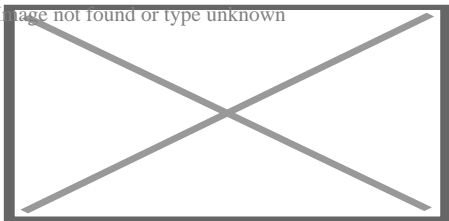
Additional Resources

- [Climate-Smart PPPs](#)
- [Finance Structures for PPP](#)

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The [Guidelines on Innovative Revenues for Infrastructure \(IRI\)](#) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the [Innovative Revenues for Infrastructure](#) section and the [Content Outline](#), or [Download the Full Report](#). For [feedback](#) on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

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