

Kuzuko Game Reserve

Kuzuko Game Reserve, South Africa (www.legacyhotels.co.za, www.kuzuko.com) is an approximately 40,000 acre game reserve situated adjacent to the 1.2 million acres Addo Elephant Park (third largest national park in South Africa) in a malaria-free zone. Its partner is the South Africa National Parks (SANP). The land is fenced and disease-free animals indigenous to the region have been staged released by SANP. It offers a "Big Five" safari experience to tourists in a luxury lodge managed by Legacy Hotels, a leading hotel group in Southern Africa. It opened in October 2007 and employs about 80 people. A total of R70million has been invested in the project since 1999.

The project combines conservation, job creation and social transformation in a region of 70% adult unemployment. Other local partners include a number of financial agencies such as the Disability Employment Concern Trust (DECT), South African Development Bank (DBSA) and the Eastern Cape Development Corporation (ECDC). A Workers Trust has been created to enable employees to become shareholders in the business. The UK Foreign Office seconded an officer for a year to see firsthand the project take shape. With their support, new commercially-viable business opportunities are currently being assessed with the aim of creating further jobs in the area. The Eastern Cape Province is the poorest province in South Africa with a regional unemployment rate of 70%. Kuzuko is located in the Blue Crane Route Municipality (BCRM) which comprises three towns namely Somerset-East, Cookhouse and Pearston in the Eastern Cape. The main source of income from this region is from agriculture. BCRM has a total population of 54,000 people. Estimated adult unemployment is 87% with household income in 1999 – 2000 of R83 per week, equivalent to around US \$2 per day per household. Assuming an average household of 4 people, this amounts to one-half US dollar per person per day. The area has all the social problems associated with high unemployment including a 20% HIV infection. Given the depressed social conditions, Kuzuko was set up as a project to stimulate economic activities in the region. Over a 5-year period, the following impact has been achieved:

Economic impact:

- Employment for a core staff of 30 on the game reserve, most of whom had never been permanently employed before.
- Seventy men employed to fence around 70 miles over a 9 month period. These men were subsequently assisted to form their own fencing business.
- Thirty men plus sub-contractors employed to build 10 staff housing.
- Seventy men plus sub-contractors employed to build the main lodge.
- 50 staff employed at the lodge.

According to the mayor of BCRM, Kuzuko has been the most significant contributor to the economy of the district over the past few years. Kuzuko together with the Addo Elephant Park, are attracting other economic activities into the area including tourism related businesses such as bed-and breakfast lodging. BCRM has also recently committed to building an airport in Somerset East to be opened in 2007. This airport will open up the district to further economic development. Eco-tourism is the fastest growth industry in this

area and Kuzuko has been a catalyst in this process. It has been estimated that every 10 foreign tourist creates one local job. Assuming a minimum of 100 tourists per week at Kuzuko, this translates to over 500 jobs a year. Kuzuko expects to continue being a major catalyst for job creation in the coming years. In addition, Kuzuko's management team will also be involved in the starting of new enterprises with its local partners in the areas of agriculture, bio-fuel, laundry, waste management and building maintenance.

Social Impact:

- Wages paid by Kuzuko are substantially higher than the minimum wage (R35 per day) in neighbouring farms.
- R3.5m has been invested in 21 houses with inside bathroom and toilets, hot and cold water and free services. The standard of housing is well above farm labourer or government urban housing for the poor.
- Staff receive training in a variety of areas including driving lessons, vehicle maintenance, building skills, fencing and electric fence maintenance, game guards and conservation.
- Staff hold shares in the business giving them a stake in profits and encouraging interest in the venture. In addition, staff are encouraged to build up capital through savings and a number have bought cattle that graze on adjoining fields.
- For the first time, in many cases, staff have contracts, disability and life insurance, unemployment cover and workmen's compensation. Staff are informed of their working conditions and rights.
- Staff also receive guidance on life skills and HIV-Aids prevention. Counselling and rehab initiation facilities are available for those with alcohol dependency.

Environmental impact:

- Kuzuko has rehabilitated 39,000 acres of land previously used for stock farming, and have incorporated it into the 1.2 m acre Addo Elephant Park.
- It is running conservation programmes with its partner, SANP for the black rhino, elephant and wild dog.
- The first black rhinos and elephants to graze the karoo in 150 years have now been released.
- Game had to be introduced in phases – antelopes, elephants and buffaloes were introduced when the vegetation had begun to recover. Predators were only introduced in 2007 when there was sufficient game to sustain their numbers.

The Kuzuko project has drawn much local support including that of Mr Mzwandile Mjadu, the mayor of the BCRM:

We are delighted with the new Kuzuko Game Reserve which is assisting our community to gain new skills and employment. It is also acting as a catalyst to attract other investors and major funding institutions to our rural area. This is no small achievement in an isolated impoverished area. Thank you for being a catalyst for social transformation.