

To
Mr. A. Unsgaard
V.P. Sub-Saharan Africa
Inv. Fund for Developing Countries
1016 Oak Hill, Roos Street
Fourways 2055

**Re. PROPOSED DEVELOPMENT OF A HOTEL AT THE CONFLUENCE OF THE
TIMFENHENI AND CROCODILE RIVERS WITHIN THE KRUGER NATIONAL
PARK (KNP), R.S.A**

Dear Mr. Unsgaard,

This letter is addressed to you as the representative of the IFU, which was identified as one of the investors in the Malelane Hotel project. We wish to bring the following to your attention and ask for your kind consideration.

Since its first announcement in December 2010, the plan to build a 240-bed luxury hotel in the Kruger National Park has received strong objections from a wide range of parties. Among these were environmental groupings, landowner associations, owners of existing lodges, cultural organisations, tourists and other individuals not associated with any organisation or business. The development is planned for land previously declared *sensitive* and is the most pristine of several alternative sites in the vicinity.

Authorisation of the project, initiated by local developers and the SA National Parks Board (SANParks), was rejected in June 2011 by the Dep. of Environmental Affairs due to a flawed environmental impact assessment. A new application followed with slightly modified specifications and a different EIA consultancy. In 2012, a group of conservationists under the name of AIKONA submitted a complaint to the South African Public Protector, who investigates mismanagement in organs of the state, alleging that SANParks was failing to fulfil its conservation mandate. The Public Protector's findings are still pending.

The current proposal to build a 4-star tented safari lodge providing for 240 beds, a separate park & ride facility, a wellness centre with spa, conference venue, restaurant, a family centre and a swimming pool was approved by environmental authorities in August 2015 after changes to the environmental legislation lowered the threshold for more stringent impact assessments.

A group of individuals and environmental organisations have appealed the decision on the basis that the development is unsuitable for a conservation area, specifically:

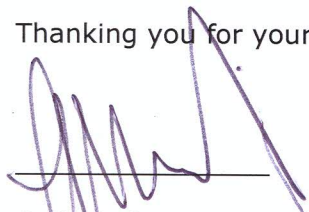
1. Luxury accommodation is not aligned with the principle purposes of a National Park;
2. Traffic and visitor numbers are certain to increase in this most overcrowded section of the KNP;
3. Nine regionally threatened and four globally threatened bird species were confirmed at the site;
4. Negative environmental impacts by far outweigh the positive impacts;

5. Positive impacts, such as creation of employment opportunities, can be realised more easily by developments outside the park with fewer negative side effects;
6. The proposed development area is already water stressed;
7. Air, water and noise pollution cannot be mediated;
8. Only preliminary geotechnical and hydro-geological studies were completed;
9. No detailed needs & desirability study was completed;
10. An obvious alternative site outside the KNP was not even considered.

On 15 April 2016, the Minister of Environmental Affairs rejected the appeals without giving due consideration to most of the concerns raised. On these grounds we, the undersigned, appeal to you, as the representative of an agency with an investment interest in the Malelane Hotel, to withdraw your support for this project.

The proposed project is not sustainable from an environmental view point, violates the principle of National Parks being sanctuaries for threatened fauna and flora, and sets an undesirable precedent for future endeavours that aim to place profits above the responsibility of our society to respect and to preserve our natural environment.

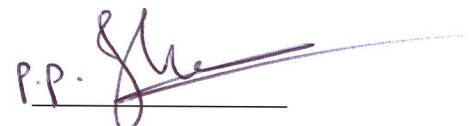
Thanking you for your consideration,



G. Smit (AIKONA)



A. de Groot (Africa Wild)



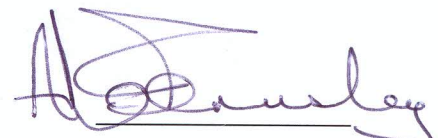
R. Heiberg



F. Essrich



J. van der Merwe



N. Fernsby