

African Parks

Managing national parks
to help wildlife and people



Annual Report 2004





We want to assist governments in Africa through public-private partnerships to provide professional management and innovative finance for their protected areas, to the benefit of local communities and the planet.

African Parks Foundation

Stichting African Parks Foundation

Langbroekerdijk A97
3947 BE Langbroek
P.O. Box 313
3940 AH Doorn
The Netherlands

Telephone: 31 34 356 50 13
Fax: 31 34 356 50 22

Website: www.africanparks-conservation.com
E-mail: info@africanparks-conservation.com

Statutory seat: Langbroek, The Netherlands

Contents

- 3 A Message from the Chairman of the African Parks Foundation
- 5 African Parks Annual Report 2004 – Questions and Answers

- 8 **Report for Liuwa Plain National Park, Western Province, Zambia**
- 12 Biodiversity report and overview of key species
- 12 Partnerships during 2004
- 13 Targets and achievements for 2004
- 14 Targets for 2005

- 15 **Sioma Ngwezi National Park**

- 16 **Majete Wildlife Reserve, Malawi**

- 20 **Nech Sar National Park, Ethiopia**

- 24 **Financial highlights for the year 2004**
- 24 Results
- 25 Foundation funds
- 25 Investments
- 25 Employees
- 26 Outlook for the year 2005
- 27 Auditors' report

A Message from the Chairman of the African Parks Foundation

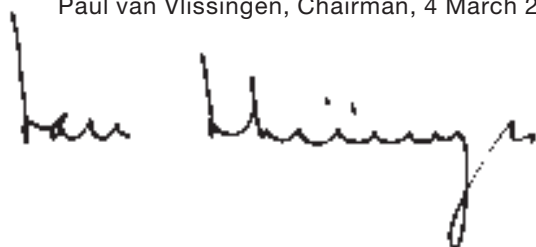
In the West, we revere and protect our museums and willingly contribute funds to safeguard them.

In Africa, the wilderness, the endangered animal species and extraordinary flora of the national parks constitute its museums.

It is clear that the costs associated with even basic provision in health, education and housing do not leave local national governments sufficient funds to sustain what after all are global treasures. Yet the preservation of the natural heritage is not a mere luxury: it involves the sustainable development of the poor who live in the area of these resources. It is impoverishment that results in unsustainable population growth and leads to poaching and woodcutting.

We – the international community, private people, corporations, institutions and governments – must help to fund and manage these ‘museums’ of Africa for the everlasting benefit of the local people and everybody of this planet.

Paul van Vlissingen, Chairman, 4 March 2005



**‘For the future of wildlife
and the people of Africa,
the work of African Parks
is most essential.’**

Cyril Ramaphosa, Senior Counsellor to African Parks



African Parks Annual Report 2004

Questions and Answers

Following are frequently asked questions:

Why is it necessary to protect Parks?

Population growth and poverty stimulate poaching and wood cutting that ultimately destroys a valuable asset of the country and the planet.

How do you work?

Basic principles: By keeping things simple, concentrate on practical solutions aimed at best results, slim communications thin overheads.

What do you mean by assist?

On behalf of the Government we manage Parks which remain the property of the country in a public-private partnership.

What is unusual about your model?

We are the only organisation in Africa that manages in a public-private partnership National Parks with the focus on efficiency based on a business approach.

What are your plans for the next year?

Provided we can get proper funding, manage more Parks as requested by African Governments.

What problems do you face?

Many Parks are in need of proper management and financing. The rich countries need to understand this and help.

What have you achieved so far?

See this report for the three Parks we have taken on. Visit Marakele in South Africa to see if our management works (www.marakelepark.co.za)

With whom do you work mostly?

On matters of legislation and structure with the authorities of the Country, in the field with the local people.

Do you think protecting National Parks, animals and landscape is more important than helping people?

National Parks are by definition in very remote poor areas. Rebuilding those Parks gives income, hope and pride to local people.

Do you bring something to fight poverty in and around your Parks?

We substantially increase employment by hiring many more local people and train them as scouts. We stimulate local work.

Does African Park do community projects?

Many. The local people have to benefit from the Parks. In each Park a substantial Anti-Poaching Fund (± US\$ 4,000/month) provides for economic input.

Into what?

Hammer mills, transport, irrigation, education, repairs, all projects as decided by the communities themselves.

How many Parks can you manage?

Only limited by funding.

Why do Governments need assistance?

There are many pressures on African Governments on budgets and capacity. Our assistance supports Governments in both areas.

Can Parks not be funded by tourism?

A Park is like a Museum. Part of revenue will come from visitors, other funding is however necessary. Like all Museums.

Will National Parks ever make a profit?

Not in economic terms.

Where is African Parks management different from Government?

African Parks provides modern management techniques, focusing on results. Governments often need to concentrate on procedures, not results.

Do you use expatriates?

Rarely and only when necessary. Presently less than 2% of workforce.

What is your major cost item?

Salaries, wages and community work.

Do you have incentives?

We provide bonuses for all employees on work done well.

What does it roughly cost to run a Park?

Approximately US\$ 500,000 / per year per Park.

Do Governments benefit financially from your work?

Yes, through investments, payrolls and alleviation of costs in remote areas.

What is Marakele National Park?

A first Park managed by Paul van Vlissingen in a public-private partnership with South Africa.

In which African countries do you work?

We have been invited to work in South Africa, Zambia, Malawi, Ethiopia, Angola and The Sudan.

What is PAPS?

PAPS is a new Foundation, also initiated by Paul van Vlissingen, focused on short-term emergency projects in nature and wildlife.



‘Individuals and companies
have responsibilities for
our planet.’

Rob Walton, Board member African Parks
Foundation of America

Report for Liuwa Plain National Park, Western Province, Zambia

Although the Western Province of Zambia is the poorest in the country, Liuwa Plain National Park has the potential to be an important engine for regeneration, economic growth, sustainable development and poverty alleviation. At the time African Parks became involved in the management of Liuwa Plain National Park the wildlife numbers had been reduced to a fraction of their former levels. This was confirmed in an official game census conducted during 2004 which also confirmed concerns that buffalo, roan, eland and hartebeest are extinct in the park. In all probability the Park would not have been salvageable had another year passed.

A socio-economic census of the Liuwa area has revealed that there are a total of 432 villages and close to 20,000 people living in and around the Park. These communities are divided into silalos (areas) and they all benefit from the anti-poaching fund of \$24,000 per annum whereby communities are rewarded for assisting with the prevention of poaching in the Park. Each silalo determines its developmental needs: a brick-making machine and grain mills were purchased, roofs were placed on clinics, agricultural implements provided and in the case of one community an ox-cart was purchased to assist with transport requirements. Furthermore a trust fund contributes US\$24,000 annually to the preservation of the rich Barotse cultural heritage such as the Kaumboka ceremonies and other cultural practices. Traditional practices of resource utilisation, including fishing and harvesting of thatching grass, are being documented and re-established with the assistance of the Barotse Royal Establishment, the traditional authority in Western Zambia.

The focus in 2004 has been on securing the entire park from illegal wildlife utilisation and hence anti-poaching operations have been conducted throughout the year. A total of 7200 patrol days were conducted in the park with an average of 10 patrols per month, consisting of 5 fully equipped scouts spending 10 days in the field at a time. The result is that commercial poaching has decreased dramatically and the supply of bushmeat has dried up completely. The only incidents that remain are subsistence poaching, illegal fishing and snaring.

The first satellite scout camp was constructed at Salwela on the north western boundary of the Park providing a permanent presence in the area and thereby reducing transport costs and allowing better anti-poaching operations. A new radio mast was also installed at Salwela, which together with the mast at Matamanene, now provides radio coverage over more than 80% of the Park as well as strategic surrounding areas.

The additional 26 Wildlife Police Officers that were recruited and trained at the end of 2003 received their ZAWA accreditation in January 2004. They were all issued with firearms and have since been on regular patrol. Furthermore 38 community scouts were selected from the villages in the Park and have been trained, recruited and deployed back in their communities, acting as a medium of communication between Park management and the communities and assisting with the prevention of problem animals.

Management moved into the offices at Kalabo Harbour, a strategic location situated at the only entrance to the Park where the pontoon crosses the Luanginga River. Boats are used from January to July for transporting all goods and fuel from Mongu to Kalabo and for the deployment of scout patrols. To aid these tasks two new aluminium boats were purchased and delivered in September. Three four-wheel motorbikes with trailers were purchased for patrol purposes which have proved to be an extremely efficient means of patrolling large areas in a short space of time.

The Park enjoyed growth in visitor numbers from 291 in 2003 to 643 in 2004 with income increasing from \$4,518 to \$32,486 for the same period respectively. Lower rates are levied on Zambian citizens in order to encourage engagement with their natural history. A tourism plan for the park has been developed and will be implemented during 2005. The intention is limit the overall numbers of visitors and manage their distribution so as to contain the environmental impact of vehicles and retain the wilderness qualities of the Park.

Invigorating Local Economies and Creating Opportunities –

The Western Province of Zambia is the poorest in the country. National GDP is us\$395 per person; life expectancy is 37 years, and fewer than 60% of children complete primary education. These figures are worse for the remote and often neglected communities of western Zambia. There are three health clinics serving the 20,000 people living in the area with few medicines and little expertise, and the teacher to pupil ratio is 1:73.

African Parks Zambia has increased the number of people permanently employed within Liuwa Plain National Park from 15 to 92, with an additional 40 people being employed by the numerous small businesses that continue to be supported by the Park – these include curio, wood and charcoal outlets, cultural art groups, a jazz band, carpenters and builders.

It is expected that this impact will grow as tourism to the park increases, especially through commercial operators who need to establish local linkages to adequately serve their clientele.

Improving livelihoods

The communities living in the park have benefited in a number of ways during 2004. All 17 local schools have benefited from the Environmental Education Programme and participated in the very successful annual schools drama festival which focused on the theme of wildlife conservation. Developmental assistance has been provided through the anti-poaching fund to each of the 10 silalos (areas) in the Park with communities purchasing roofing materials for rural health centres, hammer mills, wheel barrows and hoes, an ox-cart and a brick-making machine. Committees have been established in each silalo with traditional leaders and elected members of society ensuring broad community representation in decision making.

A Landcruiser has been provided to the Kalabo District Chief of Police together with a monthly fuel allowance and free maintenance. This is the only vehicle available to the District Police and has assisted both the police and other departments with the execution of their responsibilities. Medicines have been distributed to the three rural health clinics in the district which were cut off by the floods and African Parks has provided assistance for basic infrastructure at Kalabo Hospital.

The assistance provided by African Parks has generated an enormous amount of goodwill with local communities. A major additional benefit has been the reduction in the murder rate from 54 in 2002, the year before African Parks became involved, to 2 in 2004. According to the police, this reduction is a result of two factors: firstly, well equipped and trained professional scouts who scour the area on a daily basis, their very presence being a serious discouragement to criminal activity; secondly, in the few instances when there is activity, the vehicle donated by African Parks allows a quick police response.



Biodiversity report and overview of key species

The first aerial census was conducted in December 2004 by an independent expert. The results of the survey are summarised as follows:

Species	No. of observations	Total animals counted	Population Estimate
Wildebeest	890	22,362	23,455
Zebra	78	1339	2,706
Red Lechwe	44	194	966
Tsessebe	37	248	430
Oribi	180	383	1,241
Bush duiker	31	37	-
Southern Reedbuck	12	16	-
Steenbuck	3	16	-

Initial estimate of wildebeest numbers in 2002 was 15,000. A total of 38 hyena, one side striped jackal and four troops of vervet monkeys were seen during the census, but aerial census is not an accurate means of determining population estimates for these species. No lion, cheetah, or wilddog were seen during the census but both lion and cheetah have been observed on the ground.

In January 2004 four wildebeest were fitted with satellite collars to try and determine the migratory movements of the wildebeest. The exercise was partially successful with information being gained on the movement of the wildebeest between January and June when the last of the collars stopped working.

Partnerships during 2004

In addition to the formal legal partnership agreement with ZAWA and BRE, we have worked with a number of other institutions during 2004 to help us achieve our main objective – the restoration of the natural resources of Liuwa Plain in a manner which enables the resources of the Park to become the economic engine for the regeneration and sustainable development of local communities.

Partner	Activity
US State Department and Conservation International	A grant of US\$480,000 was received to assist with initial costs of managing the Park
University of Zambia	Boundary demarcation and preliminary research on insects in the Park
Peace Parks Foundation	Satellite collars provided for four wildebeest to determine their migratory movements
International Crane Foundation	Specialist advice to Park management to ensure that the Crane population continues to thrive – partnership in development
Dutch Government	Assistance with wildlife translocation, further community development and poverty alleviation – partnership in development
USAID	Enhancing community development and ensuring that community benefits are directly linked to conservation objectives – partnership in development

Targets and achievements for 2004

Target	Achievement
Conclusion of the long term agreement for management of Liuwa.	A 3 month extension to the Heads of Agreement was concluded on 28th February and then the 20 year agreement was concluded with ZAWA and BRE on 31 May 2004.
Inaugural Board meeting of African Parks Zambia	BRE and ZAWA formally incorporated into structure and decision making of APZ.
Implementation of community incentive mechanism	Representative community structures established and funds disbursed according to priorities as determined by the communities.
Perform socio-economic census	GPS coordinates of 432 villages plotted with 20,000 people. Previous estimate was 105 villages. Basic data collected.
Establish effective radio communications	Masts erected at Salwela and Matamanene: 80% coverage achieved.
Combat illegal resource utilisation	Trained and deployed an additional 26 wildlife police officers and additional 38 community scouts
Implement effective environmental education program	Novel approach implemented using local jazz band. All 17 schools benefited.
Survey park boundary	Beacons erected every three kilometres on boundary, tilling between beacons will be completed at end of rainy season.
Establish wildebeest migration pattern	4 wildebeest were fitted with satellite collars. Date collected from January to July. Exercise needs to be repeated to obtain data for period July- November.
Perform formal game census	Main ungulate species counted including wildebeest, zebra, tsessebe, lechwe and oribi. Figures shall form benchmark for performance measurement purposes.

Other events:

- + Inter-schools drama festival was initiated and sponsored
- + Kaumboka Ceremony was sponsored
- Boating accident where one scout and two minors were killed
- Ongoing court case by group of individuals who are opposed to the contract

‘The results of African Parks in Zambia have been outstanding.’

Valentine Chitalu, Senior Counsellor to African Parks

Targets for 2005

- Establish a scout camp and final radio repeater in the north-east of the Park to give 100% radio cover
- Establish a system of tracks to reduce vehicle impact of off-road driving
- Translocate key species of game including buffalo, eland, tsessebe, lechwe and hartebeest (finance pending)
- Radio-collar wildebeest in order to determine migration patterns
- Develop two community run campsites as a means of generating a source of revenue for the community
- Implement a new tourism policy and tariff structure
- Develop a community resource utilization plan
- Create a Liuwa Endowment Fund as part of sustainable finance strategy

Additional comments

Based on the role the Park plays as a major catchment of the upper Zambezi, its history as one of the oldest parks in the world, the cultural norms and practices which have played a major role in conserving the wildlife and habitat and which remain intact today, the migration of wildebeest and the importance of the area for crane conservation, it is our belief that Liuwa Plain is worthy of being a World Heritage Site. It is our objective to secure such status by the end of 2006.

‘The work of African Parks benefits both people in remote areas and the flora and fauna in an unusual but very effective way.’

Lord Simon Cairns, Senior Counsellor to African Parks

Sioma Ngwezi National Park

Sioma Ngwezi National Park, situated in the south western corner of Zambia, formed part of the original Heads of Agreement signed between African Parks and ZAWA on 28 February 2003. Operations began in earnest in August 2003. In March 2004, at the end of the appraisal stage after having had 8 months on the ground, the African Parks Board announced that it did not intend to conclude a long-term agreement for the management of Sioma Ngwezi. The Board's analysis of the Park and its potential during this time was as follows:

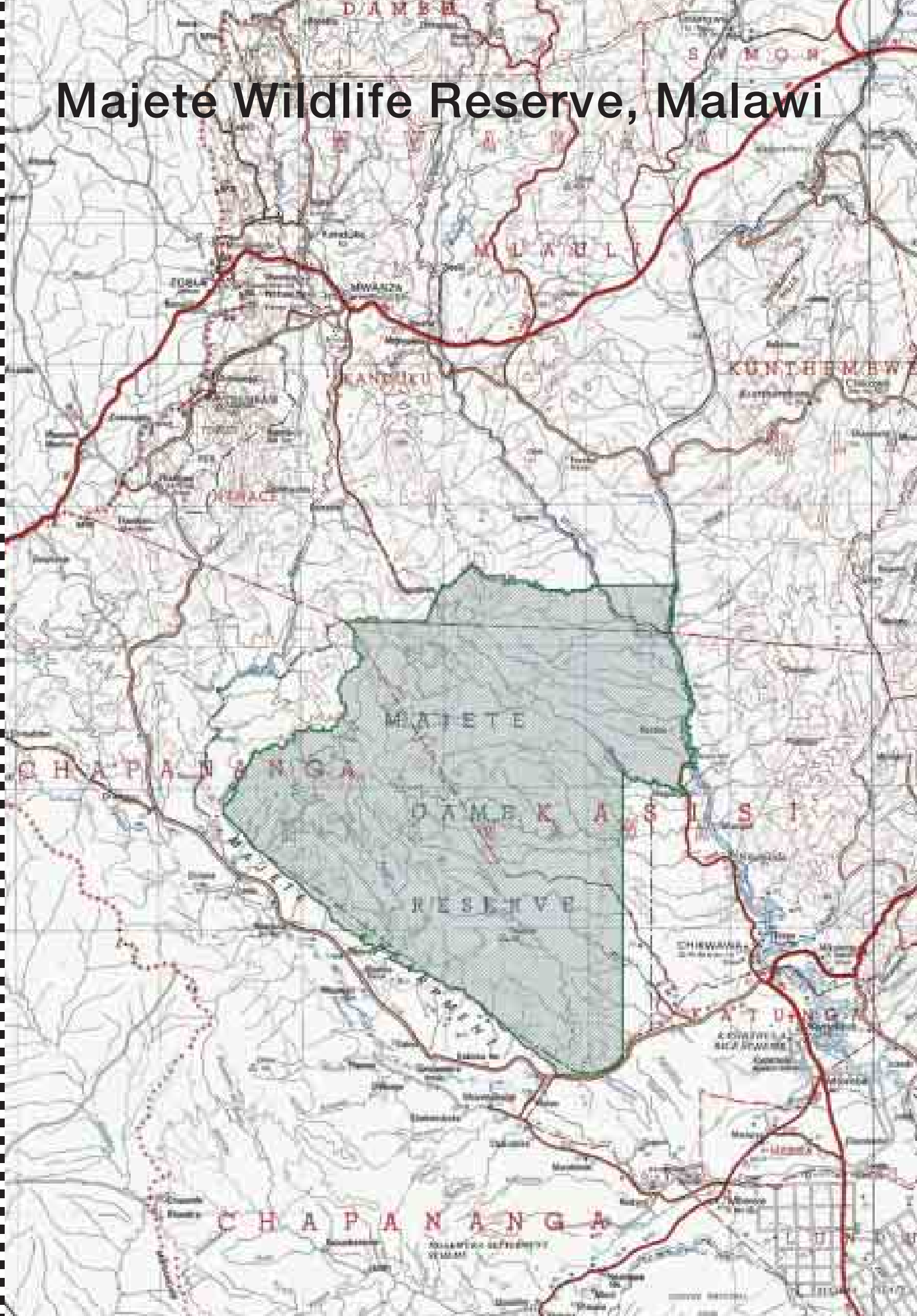
- The wildlife in the Park had been all but decimated
- The settlement of thousands of refugees along the Cuando River meant that re-establishing wildlife corridors into Angola, Namibia and Botswana was all but impossible
- The Park had no permanent water and it proved impossible to resolve this situation

Therefore the Board decided that it was not possible to achieve the long-term ecological and socio-economic objectives of Sioma Ngwezi.

The staff that had been recruited were all given a severance package equivalent to five months' remuneration. Most equipment was donated to the Sioma ZAWA office. The total investment by African Parks in Sioma Ngwezi was € 562.000 and in the financial year, the closure costs of Sioma amounted to € 168.000.

In order to demonstrate its commitment to ZAWA and Zambian conservation, African Parks formally offered to ZAWA to take on the management and funding responsibility of a different park.

Majete Wildlife Reserve, Malawi



Majete Wildlife Reserve, Malawi: Annual Report 2004

Whereas the African Parks project in the Majete Wildlife Reserve was kick-started in 2003, the year 2004 was largely given to consolidation. The hectic pace of our first year of operations has slowed somewhat.

The animals introduced during 2003 increased, some more than others. Our surveys showed increases in numbers of buffalo (15%), sable antelope (16%), waterbuck (20%) and warthog (30%). In addition to the natural increase we also reached agreement with the Malawi Department of National Parks and Wildlife to move a further 100 buffalo and 15 nyala antelope from Lengwe National Park to Majete. Three more species were introduced through purchasing animals from private ranches in Zambia. These were 20 Livingstone's eland, 37 zebras and 15 Lichtenstein's hartebeest. The hartebeest translocation was unfortunately very difficult and 11 animals died during transit or soon after their arrival at Majete. The surviving four animals are still in a quarantine camp of 200 ha required by the veterinary authorities of Malawi. The 2003 introduction of buffalo resulted in a population establishing themselves along the headwaters of the Mwambezi River. The 2004 animals moved en masse to the Mendulo area in the north where they have settled.

The law enforcement effort of the 14 Majete Game Scouts continues to provide excellent protection for the introduced animals. Their efforts are complimented by the close working relationship that has been built up with the Malawi Police and the resident magistrates at Mwanza and Chikwawa. Prosecutions are usually successful, and sentences being handed down are increasingly harsh. Poachers succeeded in killing only two animals during the year- one impala and one waterbuck. The confiscation of illegal firearms, many of them reported by local villagers and headmen keen to co-operate with African Parks, continued and the total number of firearms now confiscated stands at 292. Additionally more than 250 wire and light cable snares and 70 gin traps have been confiscated. The high morale and efficient patrolling of the Majete scouts, who made 103 arrests during 2004, underpins our entire conservation effort. Mr Harvey Mtethe, the Senior Scout of Majete, has been awarded a bursary to study for his Wildlife Management Diploma at the SA Wildlife College in 2005.

The illegal logging of hardwood trees for planks, and the manufacture of charcoal has been eliminated within Majete. But community involvement is essential in Park Management. Community support is nurtured by an active outreach programme that is gaining momentum. Our own staff have been ably supported by a United States Peace Corps volunteer, Ms Jeanette Batiste. They have established seven Community Based Organisations to enable greater participation by our neighbours. These CBOs are our contact points for communication and interaction with local communities. Small-scale enterprises such as the manufacture and sale of peanut butter by the women of Matithi are gaining in popularity. Our conservation effort was strengthened by a vehicle and Mobile Education Centre provided by the Prince Bernhard Fund for Nature. This will enhance our adult literacy training, education on malaria prevention and HIV-AIDS awareness, midwife training and small-scale sustainable agriculture projects. We have continued our project to enlarge a local school, and are building a lecture and meeting venue under thatch and timber.

African Parks has improved staff accommodation. A borehole provides potable water at Matithi and houses have been wired for electricity. A contractor has been appointed to complete six half-built houses, abandoned by a defunct World Bank project. These will have running water and electricity and should be ready for occupation early in 2005.

With the completion of the Thawale tented camp our senior staff have been able to move from the rented accommodation outside the park and are now living in Majete.

The economic impact of the Majete Project at the local level is seen in several new village shops, and a new grinding mill. The disposable income in the area has been boosted substantially by the 100 secure jobs provided by the Project. Scouts now earn about \$800 per year, skilled labour about \$550 and general labour about \$250. Though still low by world standards, these figures represent a significant improvement for local people and African Parks is now among the top five employers in the Lower Shire Valley of Malawi.

African Parks set up the Majete Conservation Trust, with independent trustees. The trust will serve to channel African Parks' funds, and donations from other parties, to community projects.

The enormous progress made by African Parks has been constantly bedeviled by bureaucratic delays on the part of Government and some officials. This resulted in a long delay before African Parks received duty free status for imported goods and materials, and has resulted in a significant delay in our plans to build a fence on the East Bank of the Shire River. The purpose of this fence is to protect villages from crop-raiding by elephants (which we propose to reintroduce to Majete) and other wildlife. African Parks negotiated the alignment of the fence with local communities, compensated them with two boreholes and a fish pond to make up for a loss of access to the river, but the final agreement has not yet been sanctioned by Government, despite many appeals.

The Majete Project has some clear objectives for 2005, in addition to continuing with our activities of 2004. These objectives are:

- Enhance and increase all work with the local communities by hiring a permanent staff member for this purpose.
- Complete the construction of two houses for senior staff, an operations room for law enforcement staff, and a workshop.
- Build a new Game Scout outpost at Namitsempe, and enlarge the outpost at Pwadze.
- Improve Game Scout training, especially for our six new recruits.
- Raise the necessary funds for translocation of elephants and fencing of the remaining boundary of the Reserve.
- Complete the fence on the east bank of the Shire River.

**‘The West must support
Africa in its people and
in its flora and fauna.’**

Wim Kok, Senior Counsellor to African Parks



Nech Sar National Park, Ethiopia



Nech Sar National Park, Ethiopia: Annual Report 2004

African Parks' activities in Ethiopia in 2004 were focused on preparing to take management responsibility for the Nech Sar National Park, in the southern region of the country.

The year began with African Parks negotiating a management agreement for Nech Sar with the Federal Government of Ethiopia, and the government of the Southern Nations, Nationalities and Peoples Regional State (SNNP). Agreement had been reached on all issues by early February, and the agreement was formally signed on 14th February 2004 at a ceremony in Addis Ababa. It was agreed that implementation would commence once the Government authorities had completed the resettlement of people who had illegally occupied the park.

The resettlement of the Kore and Guji people was an internal affair of the Federal and regional governments, and African Parks had no role to play in the matter. The Kore people were the responsibility of the SNNP Regional State, while the Guji people were the responsibility of Oromia State. The resettlement of these people, and the allocation of land and social infrastructure for them had been planned as part of a rehabilitation project for Nech Sar supported by the European Union, and within the broader context of the food security strategy of the Ethiopian Government. During the year the Kore people were resettled at Alfecho, some 15 km south of the park by the SNNP authorities. The Oromia authorities were slower in moving the Guji, but they had withdrawn their cattle from the Nech Sar plains and their resettlement was going ahead, albeit slowly. As it was clear that Government was moving on the issue, African Parks agreed to take management control of Nech Sar on 1st February 2005, and most of our efforts during the year were aimed at this target date.

The first step was to register African Parks (Ethiopia) Plc as a company in Ethiopia with an investment permit and legal status. A bank account was opened and we applied for duty free status for the import of vehicles and equipment.

We then turned to our senior staff requirements and advertised two positions in the local press. We selected Mateos Ersado, a distinguished Ethiopian scientist and conservationist with the Institute of Biodiversity Conservation as Project Co-ordinator. Leulseged Degefa, with a background in economics and accounting was appointed as Co-ordinator: Finance and Administration. By the end of the year we had a budget for 2005, and were ready to commence the project.

We also used our time, and several visits to Ethiopia, to obtain a greater understanding of the pressing issues around the rehabilitation of Nech Sar. These included not only the erosion in the Park due to illegal cattle grazing, but also the unsustainable firewood collection from the park and over-fishing of Lake Chamo. The collection of firewood was threatening the ecological integrity of the Arba Minch groundwater forest and the over-fishing of Lake Chamo was a direct threat to the crocodile population and fish-eating birds, and the livelihoods of the fishermen themselves. We found that these problems were recognized by various NGO's and government authorities. The first steps towards resolving these issues, and in particular the necessary consultation with stakeholders had already been taken by a wide range of interested parties. It was clear that African Parks would not be alone in working on these issues, and there was much comfort to be derived from slotting our efforts into a broader picture of resource utilization within the area.

Our Project Co-ordinator thus spent time preparing a strategy for African Parks to pursue that would help achieve our conservation objectives, but also take account of the fact that these problems were interwoven with poverty, unemployment, overpopulation, and limited resources for socio-economic development. Our approach will be to tackle the problems in inclusive, consultative and innovative ways. The solutions will not only have to remove pressure from Park resources, but also create sustainable alternative resources for local communities.

Our targets for 2005 are, therefore, dominated by the need to be involved in resolving problems with the active participation of the local community. These are:

- Firstly to set up a cost-effective management and staff structure with offices, means of communication, vehicles and equipment, and appropriate procedures.
- Address the problems of firewood collection, and over-fishing of Lake Chamo, in consultation with all stakeholders and explore mutually satisfying and sustainable solutions.
- Investigate, and redefine if necessary, the management sphere of the Nech Sar National Park or park boundaries to ensure ecological sustainability of wildlife populations. This process may require the development of buffer zones to cater for the migratory movements of zebra and other species and may well result in CBNRM (Community Based Natural Resource Management) initiatives.
- Plan a reintroduction programme for the many species that have been exterminated in the past, together with the necessary fencing to limit human/wildlife conflicts and crop raiding.
- Start work on a tourism development plan to ensure an early commencement of tourism activities, job creation and a revenue stream.
- Assist in the critically important efforts to raise donor funding to support African Parks.

‘We are delighted to have African Parks involved in the management of its natural resources for the benefit of the people of Ethiopia.’

His Excellency Fisseha Adunga,
Ethiopian Ambassador to the UK



Financial highlights for the year 2004

In this section the financial highlights for the year 2004 have been included. This information consists of the combined figures of the Stichting African Parks Foundation and African Parks B.V. (hereafter: the group) and has been derived from the annual reports for the year 2004 of the respective entities. PricewaterhouseCoopers Accountants N.V. have issued an unqualified auditors' opinion for both entities. The annual reports are available on the website of African Parks.

Results

The overall result for the year amounting to € 17,6 million can be specified as follows:

	African Parks Group Combined	African Parks Group Combined
(euro * 1,000)	2004	2003
Income		
Donations	20.296	847
Entrance fees	26	4
Others	20	8
	<u>20.342</u>	<u>859</u>
Expenses		
Wages, salaries and pension	689	432
Travelling and accommodation	293	115
Depreciation	260	171
Incorporation and legal costs	226	123
Other operating expenses	187	138
Closure cost Sioma	168	0
Animal translocation costs	153	105
Community Expenses	137	0
Fuel	72	18
Repairs and maintenance	41	51
Insurance	32	15
Marketing	11	227
	<u>2.269</u>	<u>1.395</u>
Financial income and expenses		
Interest and bank charges	122	38
Exchange rate differences	350	252
	<u>472</u>	<u>290</u>
Taxation	0	0
Result for the year	<u>17.601</u>	<u>- 826</u>

Donations increased significantly to € 20,3 million. During the year the Van Vlissingen family and/or its related entities have made gifts amounting to € 18,5 million. The other main donations come from The Walton Family Foundation and Conservation International who acts as intermediary for the US State Department.

Expenses have increased from € 1,4 million to € 2,3 million. The increase is mainly caused by the fact that (after the start in 2003) the parks were operational for the full year. Focus on costs control and low overheads kept the overall expenses at an acceptable level. Furthermore, it should be mentioned that non recurring costs like the closure of Sioma and the related write-off of assets have been included this year.

Foundation funds

The foundation funds have increased from € 0,9 million negative to € 16,7 million as per 31 December 2004. These funds should be viewed as start-up funds enabling African Parks to prove to the outside world that its business model works. By doing so African Parks should become an attractive opportunity for potential donor entities to provide long-term financing.

Investments

During the year 2004 the group invested an amount of € 705,000 in fixed assets. Most of these investments were made in Zambia (€ 464,000) and Malawi (€ 231,000). These investments relate to an amount of € 480,000 for assets facilitating transport such as an aircraft, vehicles, trucks, boats and motorcycles which are essential for running the parks effectively and efficiently. The remaining investments were made in machines and equipment.

Employees

During the year the group employed 185 people (2003: 198) It should be borne in mind that the 2003 figures include 59 Sioma employees. When the comparative figures are adjusted for this effect, the number of employees has increased from 139 to 185. Besides, a large number of indirect employees working for our suppliers are more or less dependent on African Parks. These have not been included in the figure above. At year end less than two percent of employees were expatriates.

Outlook for the year 2005

As of 1 February African Parks will manage Nechisar in Ethiopia and later in the year also the ecosystem Omo, Tama, Mago. We also received an invitation from the Sudanese Government to study the possibility of managing their Marine Parks, Dugonab Bay, Makkwar Island and Sangamieb Atoll.

For the new projects in Ethiopia and The Sudan separate short-term financing has been assured leaving with African Parks the necessity to secure long-term funds.

The focus of our group will be on securing these long-term funds and others to continue successfully develop the Parks under our management.

For the year 2005 we expect to invest approximately US\$ 2 mio in fixed assets, mainly in Ethiopia and The Sudan.

The net result will, from a conservative point of view, most likely be significantly negative. However, if we are successful in the area of donor funding this net result could eventually be better.

The number of employees is expected to grow further, both in the parks we managed during 2004 and in our new parks.

‘Marakele National Park in South Africa is proof of the excellent results for Nature and People from that public private partnership.’

Mavuso Msimang, Board member African Parks

Auditors' report

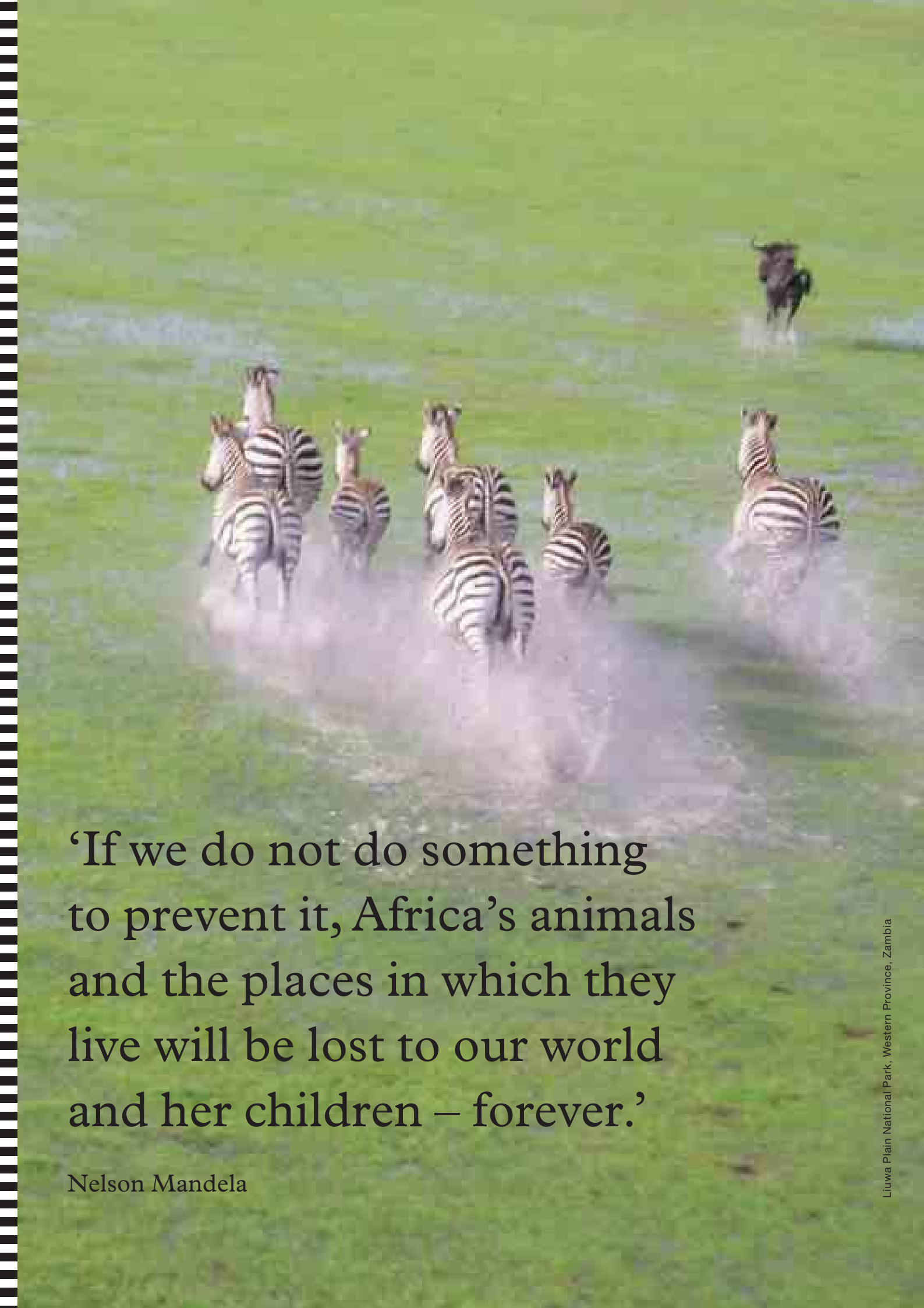
In accordance with your instructions we have audited the "Financial highlights for the year 2004" of African Parks Group, Langbroek, the Netherlands, as set out on pages 24 to 26.

These financial highlights have been derived from the financial statements of Stichting African Parks Foundation and African Parks B.V. for the year 2004. In our auditors' reports for the respective entities dated 4 March 2005 we expressed an unqualified opinion on these financial statements. The financial highlights are the responsibility of the foundation's board. Our responsibility is to express an opinion on these financial highlights.

In our opinion, these financial highlights are consistent, in all material respects, with the financial statements from which they have been derived.

For an understanding of the financial position and results of Stichting African Parks Foundation and African Parks B.V. and for an adequate understanding of the scope of our audit, the financial highlights should be read in conjunction with the financial statements from which the financial highlights have been derived and our auditors' reports thereon.

PricewaterhouseCoopers Accountants N.V.
Amsterdam, 4 March 2005



‘If we do not do something to prevent it, Africa’s animals and the places in which they live will be lost to our world and her children – forever.’

Nelson Mandela

Board of Stichting African Parks Foundation

Paul Fentener van Vlissingen, Chairman
René Hooft Graafland
Dick de Kat
Winnie Sorgdrager
Prof. Caroline Tisdall
Prof. Nico Visser

Senior Counsellors

Cyril Ramaphosa, South Africa
Mavuso Msimang, South Africa
Michael Eustace, South Africa
Lord Simon Cairns, United Kingdom
Walter Kansteiner, United States of America
Valentine Chitalu, Zambia
Wim Kok, The Netherlands

Management Group African Parks

Paul Fentener van Vlissingen, Chairman
Marcel van Beek
Richard Burge
Peter Fearnhead
Anthony Hall-Martin

Liuwa Plain National Park

Greg Trollip
Wendy Trollip
wendy@africanparks.co.zm

Majete Wildlife Reserve

Michiel van Hasselt
Astrid Parlevliet
Jeanette Batiste
Jason Plumb
majete@mw.celtelplus.com

Nech Sar National Park

Mateos Ersado
Leulseget Degefa
mersado@africanparks-conservation.com

Financial Team

Nicola Barrett
Marcel van Beek
Richard Burge
Peter Fearnhead
Cornelia Henriksson
Suzanne Wolff

Secretary to the African Parks organization

Francien Keyzer
Telephone: 31 34 356 50 13
fkeyzer@africanparks-conservation.com
www.africanparks-conservation.com



■ Countries in which African Parks is active:
Malawi, Ethiopia, Zambia and South Africa

■ African Parks through PAPS is developing projects in countries in co-operation
with Government Wildlife Services and Wildlife NGO's:
Mali, Kenya, Democratic Republic of Congo, The Sudan and Angola

