

Poverty, Inequality and Environment Series No 1

***GETTING THE LION'S SHARE  
FROM TOURISM:  
PRIVATE SECTOR-COMMUNITY  
PARTNERSHIPS IN NAMIBIA***

***Volume 1  
Background report and  
review of experience***

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## ACRONYMS

CBD	Convention on Biological Diversity
CBNRM	Community-Based Natural Resource Management
CBTE	Community-Based Tourism Enterprise
DEA	Directorate of Environmental Affairs
DFID	UK Department for International Development
FENATA	Federation of Namibian Tourism Associations
IIED	International Institute for Environment and Development
IRDNC	Integrated Rural Development and Nature Conservation
JMC	Joint Management Committee
LAC	Legal Assistance Centre
LIFE	Living in a Finite Environment
MET	Ministry of Environment and Tourism
MHT	Mud Hut Trading
MLR	Ministry of Lands and Resettlement
MWCT	Ministry of Wildlife Conservation and Tourism
NACOBTA	Namibia Community Based Tourism Association
NACSO	Namibia Association of CBNRM Support Organisation
NAPHA	Namibia Professional Hunters Association
NDT	Namibia Development Trust
PTO	Permission To Occupy
RISE	Rural Peoples' Institute for Social Empowerment
SRT	Save the Rhino Trust
TAS	Terra Africana Safaris
TASA	Tour and Safari Association
WIMSA	Working Group for Indigenous Minorities in Southern Africa

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# ***1. INTRODUCTION***

## **1.1 What This Report is About**

Partnerships between the private sector and local communities are a growing phenomenon in a number of natural resource sectors worldwide including forestry, agriculture and tourism in response to changes taking place in the market, civil society and environment and development policy – both nationally and internationally.

Tourism is one of the world's largest industries with nature-based tourism and tourism to developing countries amongst the fastest growing sectors of the industry. However, the industry has received much criticism, particularly in terms of the negative environmental and social impacts it can generate in the host country. Most of the financial benefits from tourism have tended to be captured by commercial operators in the tourist-originating countries or in metropolitan centres of the host country. As a result tourism appears to have contributed less than might be expected to social and economic development in rural destinations.

Cooperative ventures between local communities and the private sector are a means by which tourism can benefit both parties and provide higher incentives for the conservation of biodiversity – the asset upon which much tourism to developing countries is based – indeed, the involvement of the private sector and local communities was identified as a key factor for sustainable, biodiversity-friendly tourism at the 4th Conference of Parties to the Convention on Biological Diversity (CBD) in 1998.

In a number of developing countries, partnerships between the private sector and local communities are becoming more and more common, especially as communities are increasingly gaining rights to wildlife and other valuable tourism assets on their land through national policy changes on land tenure. In other cases, partnerships are developing on private land as tourism operators recognise that not only is local support essential for the long-term maintenance of the tourism assets on which the industry depends, but that many communities have cultural resources which can greatly enhance or diversify an existing tourism product.

In Namibia, a national review of natural resource management policies following Independence from South Africa in 1990 has provided the stimulus for the development of tourism partnerships. The major driving force has been the recently introduced communal conservancies legislation, which gives local people use rights to wildlife and tourism on communal land. Coupled with a national programme on community-based natural resource management this provides a framework through which both biodiversity conservation and rural development goals can be achieved by enabling communities to benefit from commercial ventures on their land. Partnerships are therefore being encouraged between the private sector and communities in order to both improve the standard of living of local communities and ensure the long-term economic viability of the new conservancies (D. Callihan, pers comm).

There is already some experience of tourism partnerships in Namibia. The example most widely cited (and often held up as a model) is that of Damaraland Camp in Kunene Region, a partnership between Wilderness Safaris and the Torra Conservancy. However, ambitious ventures such as this are not the only form of partnership within the tourism industry in Namibia, and indeed are not necessarily feasible or appropriate in a large number of cases. There exist a considerable number of smaller scale, unpublicised examples of the private sector and communities working together to mutual benefit within the industry which provide valuable lessons and ideas for those seeking to enter into some form of partnership but who are unsure what is and isn't viable under certain conditions and with certain resources (see Table 4.1).

This report reviews the current experience of private sector-community partnerships within the tourism industry in Namibia and provides guidelines for the development of future partnerships. The report is based on fieldwork in Namibia in late 1999 and early 2000 and on discussions with a number of key stakeholders in the sector – from government departments, non-governmental organisations, private industry and communities. As such it is written on the basis of a perceived real need for practical advice and assistance by both the private sector and local communities who are seeking to enter into cooperative agreements but are uncertain as to the process for negotiating such deals, the types of arrangement that might be appropriate, the inputs and outputs that are both fair but also commercially realistic.

## **1.2 Structure of the Report**

Chapter 2 sets the context for this report by summarising the development of the tourism industry in Namibia to the current day. In particular it examines how local communities have become increasingly involved in tourism – both through the development of community-based tourism enterprises (CBTEs) and also through their wider integration into the mainstream tourism industry.

Chapter 3 then moves on to examine the policy and institutional framework that supports community involvement in tourism. This identifies key government policies and legislation and summarises their implications for partnerships between communities and the private sector. The variety of institutional actors involved in promoting and facilitating private sector-community partnerships is also described including government ministries and departments, non-governmental organisations and community-based organisations.

Chapter 4 examines the rationale behind private sector-community partnerships – both in general terms and within Namibia and then reviews the characteristics of tourism partnerships in Namibia. Examples of different types of partnerships are found in the case studies in Chapter 5. Chapter 6 then analyses these existing partnerships in more detail to try and identify what the key ingredients are for successful partnerships – that is, ones that meet the expectations of both sides. These ingredients include the characteristics of the community, the private sector and the tourism resource as well as elements of the negotiation process and the actual agreement itself.

Volume II of this study contains practical guidelines and recommendations for both communities and the private sector for the development of future partnerships, based on the analysis in the preceding chapter.

Volume III comprises a detailed description, including a summary of strengths and weaknesses, of all the existing partnerships in Namibia that were identified during the course of the fieldwork. This alone provides a valuable source of previously undocumented information and is the basis for the analysis and guidelines in Volumes I and II of the report.

## **2. NAMIBIA'S TOURISM INDUSTRY**

### **2.1 Introduction**

Namibia is a vast, sparsely populated country on the South Atlantic coast of Africa, bordered by Botswana, South Africa and Zimbabwe to the east, Angola and Zambia to the north and South Africa to the south. With a surface area of 824,268 km<sup>2</sup> and a population of 1.5 million, the average population density is one of the lowest in the world. More than 60 per cent of the population lives in the northern part of the country where the rainfall is highest.

The aridity of the country (the most arid country south of the Sahara) is one of its most significant features. Average annual rainfall ranges from less than 25mm in the Namib Desert in the west, to over 600mm in the north east (Jones 1998) almost all of which falls between December and April<sup>1</sup>.

Historical land division influences much of the economic and social climate in Namibia. Under South African rule, 40.8 per cent of Namibia's land had been allocated to black homelands, while 43 per cent had been allocated as freehold land to mostly white commercial farmers. 13.6 per cent was designated as conservation areas and a small percentage was unallocated land. Since independence, a small number of the 6100 freehold farms have passed into the hands of black Namibians (3 per cent), but ownership is largely still in the hands of Afrikaans and German settler families (89 per cent).

Namibia's abundant wildlife is possibly its greatest tourism asset (Namibia Tourism 2000) and significantly, some of the former homelands retain the largest populations of big game such as elephant, buffalo, lion, leopard and black rhino. On freehold land, because of extensive conversion to livestock and some arable farms, these species disappeared until re-introductions took place on certain game farms. In terms of trophy hunting, the freehold farms can mostly only offer smaller and more common types of ungulates, for example kudu, gemsbok and springbok (Jones 1999). The emerging communal area conservancies therefore have a comparative advantage over private landowners in terms of the tourism resources they have to offer and there is thus great potential for them to become major players in the national tourism industry.

### **2.2 Evolution of the Namibian Tourist Industry**

The tourism system of Namibia originates from pre-independence days when the country was under South African rule. Tourism was very much a government-controlled industry focusing on national parks, game reserves and recreational areas, complemented by a few private lodges and guest farms. There were very few international tourists prior to Independence and the country was largely a holiday destination for South Africans. For the few international tourists that did visit, Namibia was mainly packaged as an add-on to a South African holiday, was predominantly marketed through the South African tourism industry and only South Africa Airlines landed at Windhoek Airport on international routes.

The international isolation of South Africa under apartheid rule has had its affect on the Namibian tourism industry which lacks the competitiveness of other long-haul destinations and has tended to develop products that cater for the local and South African white population – self sufficient, nature-orientated holidays. This resulted in a proliferation of rest camps and campsites aimed at the independent traveller, within the various proclaimed national parks and other protected areas.

The lifting of travel restrictions into, what was referred to as 'operational areas' (the communal areas north of the veterinarian fence) during the last years of the Namibian liberation war, saw an increase in local and regional (South African) tourists into 'communal areas' where the spirit of 'bush camping' could be enjoyed in areas that were often still well populated with game species. Namibia's north west regions (Kaokoland and Damaraland) and the north east region (Caprivi) witnessed a particularly strong growth in popularity by local and regional travellers.

A boom in long-haul tourism arrivals occurred after independence in 1990 when mainly European travellers started to discover 'Africa's youngest nation'. The growth in tourist numbers encouraged many people to initiate new tourism ventures such as guest farms and safari companies. Foreign investors constructed more luxurious and fully serviced establishments more in line with the demand from the international market. The increase in international tourist arrivals and the subsequent development of a more competitive tour operator industry looking to create new and unique selling points, resulted in the development of Namibia's communal areas as tourism destinations. This was complemented by efforts of the Ministry of Environment and Tourism and field-based NGOs such as Save the Rhino Trust (SRT) and Integrated Rural Development and Nature Conservation (IRDNC) working with local communities to halt the decline in wildlife numbers in

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<sup>1</sup> In most areas the average rainfall is less than 550 mm which is the minimum needed for rainfed crop production.

these areas – particularly of elephants and black rhinos and thus safeguarding the tourism attraction.

The common link between a tourist – generating country and a (former) colony is evident in Namibia: Germany is currently Namibia's largest long-haul generating market (although German rule in Namibia only lasted 24 years). The tourism industry is predominantly German and most marketing efforts are directed at the German speaking markets (which include Austria and Switzerland).

### 2.3 The Current Status of the Namibian Tourist Industry

Tourism is now one of the four pillars of the Namibian economy (alongside mining, fishing and agriculture) and is the fastest growing (Namibia Tourism 2000). The present tourism industry is characterised by a large majority of small and medium size companies. These include tour operators with one and two vehicles in their fleet, and guest farms and lodges with five to eight rooms. The few large companies in Namibia's tourism industry are predominantly owned by foreign enterprises. Latest statistics (November 1998) showed a total of 383 registered accommodation establishments offering 5788 rooms plus an additional 495 private hunting farms (Namibia Tourism 2000). The largest supplier of tourist beds, Namibia Wildlife Resorts, operates the tourism resorts within protected areas. This used to be part of the Ministry of Environment and Tourism but was privatised in 1999.

Namibia's tourism industry is dominated by general purpose tour operators working from Windhoek. The most common way to travel through Namibia is by guided tour from Windhoek to Windhoek. The market segment of 'self drive' tourists has grown rapidly. Where six years ago, 24 tourists would travel on one coach tour together, they can now be found in 12 rental cars driving along Namibia's extensive road network. This has influenced the industry considerably. It has stimulated the development and growth of small and medium sized accommodation establishments. It also initiated a strong growth in car hire companies. Although the total number of long-haul tourism arrivals has not risen drastically the last three years, the number of tourism enterprises has.

Although there are no reliable statistics on tourism arrivals and expenditure, the generally acceptable statistics, collated by the Namibian Ministry of Environment and Tourism (MET) are as follows:

- 100,000 international arrivals in 1999
- High number of repeat visitors (20%)
- Average length of stay 12.6 nights
- 50% travel on conducted tours

There are indications that multi-destination tours are becoming more important and that an increase in cultural product demand is imminent. The multi-destination component also has the potential of increasing the number of visitors to communal areas (i.e. Caprivi) on their way to Botswana and Zimbabwe (Victoria Falls), although at the time of writing the political instability of the Caprivi region throughout 2000 has resulted in a collapse of its tourism industry. For the future, government policy places the emphasis on *quality* tourism rather than *quantity* tourism. In theory this means that new developments should be kept small, high standards maintained and the carrying capacity of the environment taken into consideration (Namibia Tourism 2000). Only time will tell if this theory turns into reality.

### 2.4 Community Involvement in the Tourism Industry

The first initiatives to involve local communities in tourism on communal land did not come from the (white) tourism industry, but were initiated within a national community-based natural resources management (CBNRM) programme, launched after Independence. The CBNRM programme built on the long-standing work of NGOs in communal areas, particularly IRDNC's Community Game Guard Programme. The aim of the CBNRM programme is "The protection of biodiversity and maintenance of ecosystems and life support processes through the sustainable use of natural resources for the benefit of rural communities". The underlying philosophy behind the programme is that the sustainable use of natural resources can both enhance conservation efforts and provide economic benefits to local communities. A tourism development plan undertaken in 1993 further emphasised the development of tourism on Namibia's northern communal lands "notably Damaraland, Caprivi, Kaokoland and Bushmanland" (Hoff and Overgaard 1993). The 1994 *White Paper on Tourism* further noted that "tourism must provide direct benefits to local people and aid conservation" (MET 1994).

Between 1992 and 1998 many so-called community-based tourism enterprises (CBTEs) were started in the north-west (Damaraland, Kunene and Kaokoland) and north-east regions (Caprivi), predominantly in places that were already visited by more adventurous travellers. These enterprises largely consisted of basic campsites where a nominal fee was charged that was supposed to create some benefits for the larger



community. At present, Namibia's community-based tourism industry comprises 14 campsites, 5 rest camps, 6 craft centres, 3 tour guide centres, and 4 traditional villages.

None of the CBTEs that have become operational have ever closed down. All of them still exist, although some in various stages of dilapidation. Only a few can currently be considered as economically viable, including, in the west, Aba-Huab Camp Site and Purros Camp Site (developed with support from the CBNRM programme), Khowarib Rest Camp and Ongongo Camp Site (supported by Save the Rhino Trust) and, in the east, Lizauli Traditional Village (supported by the private sector). The Namibia Community Based Tourism Association (NACOBTA), an NGO which represents 42 existing and planned CBTEs, commissioned a survey (Wide Awake Leisure Management 1999) which discovered that the tourism product offered by the majority of CBTEs, was not at all in line with the requirements of the market since the facilities were of poor quality and poorly maintained, staff were unreliable and community members didn't respect the privacy of tourists. NACOBTA has since been attempting to increase the viability of CBTEs through encouraging tour operator support and development of a centralised booking system to enable the reservation of sites and services and the pre-payment of these through a voucher system. This service will allow CBTEs to anticipate the arrival and it will also allow for the inclusion of CBTEs in tour operators' published itineraries. European travel law prescribes that an operator has to stipulate the accommodation used within an itinerary. A booking service offers a guarantee to the European operator who, in turn, will be able to guarantee this to its clients.

Tour operators seem keen to support an efficient community-based tourism industry – not only for the reasons described above, but also to enable them to sell a more diverse product to a very competitive market. However, while community-based tourism is a growing segment of the industry, it should be remembered that it is only a very small part of the wider tourism industry in Namibia. There has also been a drive from the government and from NGOs, therefore, to encourage the involvement of communities in the wider, mainstream tourism industry.

There thus exists the scope for broadening the benefits that local communities can receive through tourism both through private sector support for a more economically viable, market driven community-based tourism industry and through the active involvement of communities in what were previously solely private sector enterprises. Namibia's policy and legislative framework support this (see Chapter 3), notably through the 1995 Community-Based Tourism Policy, the 1996 Nature Conservation Act and the forthcoming Tourism Policy, which encourages investment in communal areas, and stipulates that communities should become partners in the tourism development process (NACOBTA/MET 2000).

## 2.5 Private Sector Investment in Communal Lands

Prior to the formation of communal conservancies, tourism developers were required to apply to the government for a concession or Permission To Occupy (PTO) certificate in order to operate a private venture on communal land. A concession applies to an area of land within which the tourism operation can be run and operates for a fixed period of time. A PTO applies only to the site required to erect a building out of which a tourism venture is run and normally covers an indefinite period. A key difference between a concession and a PTO is that the former provides an area of land for the exclusive use of the operator. The lack of a concession does not preclude an operator from utilising an area of land – indeed one of the weaknesses of existing land policy in Namibia is the uncertainty of land tenure in that communities do not have the right to exclude others from their land (Jones 1999) – but it does preclude exclusive use. Concessions are granted by the Ministry of Environment and Tourism while PTOs are the responsibility of the Ministry of Lands and Resettlement (MLR) – although the MET is invited to comment on PTO applications.

At present there are three government-granted concessions on communal land: Etendeka Mountain Camp and Palmwag Lodge in the north-west and Hobatere on the western border of Etosha National Park. In addition, there are two concessions in state protected areas – Lianshulu Lodge in Mudumu National Park, Caprivi and Wilderness Safaris in the Skeleton Coast National Park. In addition many lodges and other enterprises operate with no concession or PTO since this is difficult to police (personal observation).

With the formation of communal conservancies the situation is changing a little – albeit slowly. The conservancy legislation does not override the need for a PTO and tourism enterprises require a PTO even if they are located within a conservancy boundary. However, newly developed guidelines for investors note: *“When PTOs are applied for in conservancy areas, or in areas where conservancy formation activities are taking place, the MET requires that conservancy leaders approve the applications, as conservancies have the legal right to control tourism within their boundaries. Furthermore the MET recommends that all PTOs issued in conservancy areas be issued in the name of the conservancy rather than being issued directly to an investor. To build tourism facilities an investor must negotiate an agreement with the conservancy, in the form of a contract, and the facility should be located within the area covered by the conservancy. PTO applications also require the signature and approval of local traditional authorities (the headman), the Regional Councillor and the Regional Governor.”* (NACOBTA/MET 2000)

As far as concessions go, the MET is currently reviewing the present legislation on concessions in order to adapt this to the conservancy legislation. It recognises that there are shortcomings in the present conservancy legislation with regards to tourism control. The objective is to accrue the revenue to communities rather than to the government. This is already happening with hunting concessions and is planned to be introduced for non-consumptive tourism as and when the present operational government-granted concessions expire. In addition the draft tourism policy states that tourism concessions on communal land should be integrated into conservancies where they exist. Communities are unable to issue land leases to investors since they do not own the freehold title to their land – within or outside conservancies. A concession is therefore the only formal way for an investor to obtain the right to operate in a certain area.

These changes have significant implications both for the way in which investors negotiate and operate tourism developments on communal land and for the potential for communities to benefit from, and become partners in, the tourism development process.

One issue yet to be addressed is what happens to concessions that fall across more than one conservancy. This is an issue for Skeleton Coast Fly-In Safaris operating the Kuidas camp. The camp itself is located at Terrace Fountain within the Torra conservancy, but the requested concession area also includes parts of //Uibasen and Doros Nawas. At the time of writing discussions surrounding the concession have only taken place with Torra conservancy. Skeleton Coast Safaris note that this is a problem with potential partnerships between the private sector and conservancies since financial benefits from the private sector are currently based on the existence of a destination facility (camp or lodge) and do not take into account tourist activities such as game drives that might enter other areas.

For hunting concessions, prior to conservancy formation the MET held annual auctions. The Ministry is continuing to award hunting concessions in areas where no conservancies have been formed – even if conservancy formation discussions are taking place. There is a fear from both the MET and the Namibia Professional Hunters Association (NAPHA) that not awarding certain areas will influence the market value of Namibia as a hunting destination. Once a conservancy is registered, it can apply for the government-awarded concession to be administered directly by the conservancy.

### **3. PRIVATE SECTOR – COMMUNITY TOURISM PARTNERSHIPS: THE POLICY AND INSTITUTIONAL FRAMEWORK**

#### **3.1 Policy and Legal Framework for Tourism Partnerships**

Following Independence in 1990, the then Ministry of Wildlife, Conservation and Tourism embarked on a major review of the country's natural resource management policies and developed a number of new policies which have implications for the tourism industry – particularly with respect to the involvement of communities in tourism. The key policy and legal instruments which influence how communities are involved in tourism and how the private sector must engage with communities are summarised here<sup>2</sup>.

##### **3.1.1 Policy on the Establishment of Conservancies in Namibia**

In 1992, the then Ministry of Wildlife, Conservation and Tourism (MWCT) approved a policy document, which made provision for the establishment of wildlife management units called conservancies. Although the document was concerned essentially with the establishment of conservancies on commercial land it also provided for their establishment on communal land. The document defined conservancies as:

“...a group of farms and/or area of communal land on which neighbouring landowners/members have pooled their resources for the purpose of conserving and utilising wildlife on their combined properties and/or area of communal land “ (MWCT 1992).

It went on to state that the idea behind the establishment of a conservancy is that landowners practice their normal farming operations in combination with wildlife utilisation. The landowners would manage their combined land as a unit concerning wildlife, and would share in the benefits from their combined effort. Commercial farmers in Namibia are given ownership over huntable game (oryx, springbok, kudu, warthog, buffalo and bushpig) if they have a certain size farm and a certain type of fencing. They are able, as identified landowners, to use protected and specially protected species through a permit system. Legislation also allows trophy hunting to take place on commercial farms under certain conditions. Commercial farmers may buy and sell game on their land.

##### **3.1.2 Policy on Wildlife, Management, Utilisation and Tourism in Communal Areas**

The 1992 Policy on the Establishment of Conservancies in Namibia provided for the establishment of conservancies on communal land, but given that communal area residents had no rights over wildlife, did not suggest how communal area conservancies might actually be formed.

The Policy on Wildlife Management Utilisation and Tourism in Communal Areas provides a framework for giving rights over wildlife to communal area residents through the institutional structure of a conservancy. The policy makes provision for rural communities, which form a conservancy to be given similar rights over wildlife as a commercial farmer.

The objectives of the policy are (MET 1995a):

A). To establish an economically based system for the management and utilisation of wildlife and other renewable living resources on communal land so that rural communities can:

- i) participate on a partnership basis with this (MET) and other Ministries in the management of, and benefits from, natural resources;
- ii) benefit from rural development based on wildlife, tourism and other natural resource management;
- iii) improve the conservation of natural resources by wise and sustainable resource management and the protection of ... biodiversity.

B). To redress the past discriminatory policies and practices that gave substantial rights over wildlife to commercial farmers, but which ignored communal farmers.

C). To amend the Nature Conservation Ordinance (4 of 1975) so that the same principles that govern rights to wildlife utilisation on commercial land are extended to communal land.

D). To allow rural communities on state land to undertake tourism ventures, and to enter into co-operative agreements with commercial tourism organisations to develop tourism activities on state land.

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<sup>2</sup> This section is adapted from a review of conservancies conducted by Jones (1999) as part of IIED's *Evaluating Eden* initiative.

### **3.1.3 Nature Conservation Amendment Act, 1996.**

The Nature Conservation Amendment Act, 1996 (Act 5 of 1996) amends the Nature Conservation Ordinance 1975 so that residents of communal areas can gain the same rights over wildlife and tourism as commercial farmers. Instead of fencing and the size of the farm being the conditions for gaining ownership over huntable game and the right to use other species, the Nature Conservation Amendment Act sets the formation of a conservancy as the condition upon which ownership and use rights over game are given to communal area residents. The Act puts into effect the MET's policy on Wildlife Management, Utilisation and Tourism on Communal land.

The rights over wildlife conferred on a conservancy committee are for the ownership (and therefore use for own purposes) of huntable game (oryx, springbok, kudu, warthog, buffalo and bushpig), the capture and sale of game, hunting and culling, and the right to apply for permits for the use of protected (e.g. roan, cheetah, leopard, tortoises and most species of birds) and specially protected game (e.g. giraffe, elephant, rhinoceros and hippopotamus). If a conservancy applies to become designated as a 'hunting farm', trophy hunting (including of protected and specially protected game) can take place on the conservancy. The Act also gives conservancies rights over non-consumptive utilisation of game. The definition of non-consumptive utilisation contained in the Act includes use for "recreational, educational, cultural, or aesthetic purposes". Conservancies thus acquire rights over non-consumptive uses normally associated with tourism. This is intended, as far as possible within the powers of the Nature Conservation Ordinance, to give conservancies a **concessionary right over commercial tourism activities within the conservancy**. However, in the absence of secure land tenure and specifically the ability to exclude others from communal land, the exact definition of these rights is not clear.

### **3.1.4 Promotion of Community Based Tourism**

The 1995 Policy on Community Based Tourism (MET 1995b) explores ways in which communities can benefit from tourism to promote social and economic development and conservation in communal areas. The policy recognises that where tourism is linked to wildlife and wild landscapes, the benefits to local communities can provide important incentives for conservation of these resources.

The policy recognises that in the past, local communities have had little control over tourism activities on their land and little access to direct benefits from tourism. In order to redress this a programme of action included in the policy document states that MET will give **recognised communal area conservancies the concessionary rights to lodge development within the conservancy boundaries** (MET 1995b).

One of the main principles of the policy is that "large businesses operating on communal land should involve and benefit local residents".

### **3.1.5 Draft Tourism Policy**

The MET is currently preparing a Tourism Policy to provide for better coordination and regulation of the tourism industry in Namibia. This draft specifically provides for conservancies to be given concessionary rights over tourism activities. It emphasises the increased utilisation of protected areas to contribute to the development of neighbouring economies. Furthermore, communal areas are seen as the destination areas with most growth potential. A draft is being circulated for consultation following broad stakeholder consultations during 2000 and the policy is due to be presented to Parliament in mid 2001 (slow progress bearing in mind that the policy was initially drafted in 1995).

### **3.1.6 Communal Land Policy**

The draft Communal Land Policy makes provision for the administration of communal land through Land Boards. The policy provides for tenure rights to include all renewable natural resources on the land, conditional upon sustainable use and subject to details of sectoral policy. Wildlife and tourist attractions are included among these renewable natural resources. Although the draft policy referred to the Nature Conservation Amendment Act and to conservancies, it is not yet clear how the proposed Land Boards and conservancies will interact and where the ultimate rights to wildlife and tourism will lie. While control of wildlife and tourism lies within the jurisdiction of the Ministry of Environment and Tourism (MET), the control of land falls under the Ministry of Lands and Resettlement (MLR) and the ground is ripe for inter-ministerial tension and conflict. Although these concerns were raised during broad community consultations, it is unclear how these issues will be addressed in the final policy.

The ongoing failure to finalise the tourism policy and the land policy and to translate policies to legislation is a hindrance to the development of tourism partnerships as the rights of communities to wildlife and land remains unclear in many cases. The lack of clarity thus serves to compromise their ability to secure a strong bargaining chip and bring a valuable asset to the partnership.

## 3.2 Institutional Framework

A wide variety of institutions are involved in the promotion and management of company-community tourism partnerships in Namibia. These include government bodies – notably the various departments and directorates of the Ministry of Environment and Tourism, and the Ministry of Lands and Resettlement; non-governmental organisations and foundations; and community-based organisations and traditional structures. While the number and variety of institutions may appear confusing at first, the majority of these organisations fall under the banner of Namibia's CBNRM programme. The programme is in the process of deciding what roles the various institutions should play to support joint venture tourism in communal areas (see Namibian CBNRM Programme 2000). Various private sector bodies have recently joined the CBNRM programme late; the umbrella organisation FENATA (Federation of Namibian Tourism Associations) is now very much a partner in the process. The Tour and Safari Association (TASA) and the Namibia Professional Hunters Organisation (NAPHA) are the most active private sector organisations in this process.

### 3.2.1 Government Ministries and Departments

The **Ministry of Environment and Tourism (MET)** is the lead government agency for tourism in Namibia. Its overall mandate is to “*create an enabling environment for the industry through a combination of product development and marketing with sensitive control of tourist numbers at specific locations*” (Urban Dynamics Africa, 1999). The MET is divided into five directorates, three of which have a direct involvement in community-based and private sector tourism activities:

The **Directorate of Environmental Affairs (DEA)** has a broad environmental mandate but has been heavily involved in community-based tourism and in conservancy development. The DEA has a strong resource economics focus, which supports the Ministry's other programmes and conducts its own research and policy agenda. This has included: financial and economic analyses of conservancies, assessing the viability of tourism operations on communal lands, proposing and assessing tourism development options, and staff have been involved in facilitating financial negotiations in emerging company-community partnerships to enable and entrench sound contracts. The DEA provides overall coordination of a national community-based natural resource management (CBNRM) programme – a collaborative initiative between the Ministry and various NGOs.

The **Directorate of Forestry** is responsible for the management of state forest lands and houses the national remote sensing centre.

The **Directorate of Resource Management (DRM)** has responsibility for the management of protected areas and state conservation activities. DRM is also involved in community-based tourism – facilitating conservancy management plans and working with wildlife councils and traditional authorities.

The **Directorate of Specialist Support Services** is charged with consumptive use of wildlife resources, which include the management of the hunting industry (setting quotas, auctioning concessions etc) and the trans- and relocation of game.

The **Directorate of Tourism** is in charge of tourism promotion, gambling and tourism planning. Much of the planning and development tasks have not been initiated due to a shortage of staff and the lack of statistical information. The directorate also hosts the only community based tourism advisor, funded through the LIFE project. This directorate previously managed the state-owned lodges inside protected areas, which now rests with a parastatal – **Namibia Wildlife Resorts**.

A number of other Ministries are also involved in tourism. The most important of these is probably the **Ministry of Lands and Resettlement (MLR)** as it is in charge of land use planning and administers communal land on behalf of the state. The MLR is currently the government agency to whom tourism developers apply for the “*Permission to Occupy*” (PTO) a site. The MLR is also being responsible for administering the communal land bill – again with implications for tourism development on communal land.

### 3.2.2 Non-Governmental Organisations

A number of non-governmental organisations (NGOs) and programmes have been instrumental in promoting community-based tourism in Namibia and in brokering deals between communities and the private sector. One of the most long-running of these is **Integrated Rural Development and Nature Conservation (IRDNC)**. IRDNC's involvement in tourism began in 1982 with the development of a highly successful community game guard project in Purros (Kunene). IRDNC used community-based tourism as a vehicle to create benefits for local communities from wildlife conservation and have therefore supported the development of a number of community tourism enterprises (campsites and traditional village). More recently IRDNC have been instrumental in facilitating negotiations between communities and the private sector – the agreement between Wilderness

Safaris and the Torra Conservancy in Damaraland and Island Lodge Management and the Mayuni community in the East Caprivi. Being mainly field-based, with a large number of community-based staff, IRDNC is in a good position to understand the dynamics of a community and to facilitate the negotiations between communities and private sector operators interesting in a partnership.

IRDNC's Caprivi programme is funded by Living in a Finite Environment programme (LIFE). Funded by the United States Agency for International Development (USAID), and administered through the World Wildlife Fund (WWF-US), the Rössing Foundation and MSI as a corporate agreement, LIFE supports a number of initiatives within the national CBNRM programme. LIFE works with conservancies towards two specific objectives: improved conservation practice and improved standards of living. LIFE's aim is for conservancies to ultimately become self-sustaining and the programme envisages 60-70 per cent of future conservancy income coming from partnerships with private tourism enterprises (D. Callihan pers comm).

LIFE also provides financial and management support to the Namibia Community Based Tourism Association (NACOBTA). A membership organisation initiated and managed by community members, NACOBTA was set up in 1995 to support community-based tourism enterprises. NACOBTA works with "communities, government, NGOs and private sector operators in order to foster community involvement and benefits from tourism" (NACOBTA 1998). NACOBTA's dual objectives are to improve the viability of community-based tourism enterprises and to integrate community-based tourism into the mainstream, commercial tourism industry. Under this second objective, one of the tasks specified in NACOBTA's Strategic Plan for 1998 – 2001 is to maximise community involvement in tourism through private sector partnerships. The plan does however point out that NACOBTA's staff resources need to increase to fulfil these objectives. The field-based activities of IRDNC are an excellent and efficient complement to NACOBTA's work at present.

LIFE also provides grant funding to the Rössing Foundation, a development and training NGO established by the mining company Rio Tinto's Namibian operation – Rössing Uranium who has supplied the major funding. The Rössing Foundation specifically provides training in conservancy management issues. A separate development department, linked to the national CBNRM programme, emphasises sustainable craft development. Specific target communities receive technical training in quality and design, as well as resource management (re-forestation). Rössing has established an independent company – Mud Hut Trading – that purchases baskets and other crafts from communities and sells them through local outlets (the Namibia Crafts Centre in Windhoek) and internationally. (See case study 7).

The Legal Assistance Centre (LAC) provides free legal services to minorities and disadvantaged communities. They have been instrumental in the drafting of the conservancy policy and have given major input into all existing contracts between private sector and community organisation.

There is a growing number of NGOs getting involved in the CBNRM programme as the focus is becoming more national. Some NGOs like RISE (Rural People's Institute for Social Empowerment) and NDT (Namibia Development Trust) are working on conservancy formation in specific areas where others like !Nara provide specific training.

In July 2000, the Namibia Association of CBNRM Support Organisations (NACSO) was formed and a Windhoek office opened. Chaired by the Directorate of Resource Management within the MET, it is expected that NACSO will take over many of the LIFE programme activities, which are phasing out over the next three years.

### 3.2.3 Community-based Organisations

With the passing of the recent conservancy legislation, the key community-based institutions involved in tourism are the communal conservancies themselves. Conservancies are legal bodies with constitutions and rules of operation. They have defined geographical boundaries and a defined membership, represented by a democratically elected conservancy committee. Conservancies have to draw up an equitable benefits distribution plan for the revenue they receive and their accounts have to be independently audited on an annual basis. Conservancy funds are not used for individual benefits (by common consent) but for community wide benefits such as school bursaries, insurance and income generating projects. At the time of writing nine conservancies had been registered with a further 18 emerging (see Map 1). Where conservancies have not developed, negotiations over tourism arrangements tend to occur with the traditional headmen of villages and their councils or *khuta*.

## **4. OVERVIEW OF PRIVATE SECTOR – COMMUNITY PARTNERSHIPS IN NAMIBIA**

### **4.1 Defining a “Private Sector-Community Partnership”**

#### **4.1.1 What Counts as Private Sector?**

Within the tourism industry, “the private sector” can comprise a broad spectrum of actors from multinational corporations to individual entrepreneurs. In Namibia, although there are a few transnational companies involved in tourism (e.g. Wilderness Safaris and the API Group) the majority of the private sector is characterised by individuals, families or small, locally based companies who own or manage lodges, hunting outfits, guest farms or campsites. For the purpose of this report all of these are considered as private sector and as such potential partners for communities. However, a number of these, particularly the guest farm owners, operate on privately owned land with currently little or no interaction with local communities.

#### **4.1.2 What is a Community?**

Much has been written in rural development literature about how to define “communities” and there is much debate about whether this should be done on a geographical, spatial, livelihood or ethnic basis. Much has also been written about the heterogeneous nature of communities including issues of conflict and cohesion between sub-groups and individuals (see Roe et al 2000 for a detailed discussion). While it is outside the remit of this document to enter into such an academic discourse, it should be noted that all the above have implications for partnerships with “communities” especially in terms of how different interest groups are represented (young and old, rich and poor, educated and illiterate, men and women etc) and how costs and benefits are shared. In the context of tourism in Namibia, “communities” are becoming increasingly synonymous with “conservancies”, represented by democratically elected conservancy committees. In areas where conservancies have not been formed, “communities” may comprise groups of resource users, villages, wards, households or individuals. In this report, we examine partnerships with communities in this broad sense although we note the move towards more formal community structures.

#### **4.1.3 What is a Partnership?**

The term partnership is widely used and variously defined – to some it is a legally based contractual agreement, while to others it is any form of dialogue between two parties. For some the emphasis is placed on sharing. Thus the Business Partnerships Unit of the UK’s Department for International Development (DFID) defines partnerships in the following way: “the partners agree to work together to fulfil an obligation to undertake a specific task by committing resources and *sharing the risks as well as the benefits*”.

Within the context of private-community partnerships in the tourism industry, the term is often used interchangeably with the term “joint venture”. However, to others, a joint venture is one type of partnership and is defined by Ashley and Jones (1999) as “a contractual partnership between a community or local institution and a private investor to work together in establishing or operating a single tourism or hunting enterprise.” The key factor in Ashley and Jones’s definition is that “while they may not both own the company assets in legal terms, both have rights and responsibilities to contribute to and benefit from the enterprise”. This is somewhat different from the usual business interpretation of joint venture, which implies joint ownership of a new enterprise. It also leaves room for considerable differences within the category joint venture depending on whether there is joint ownership and how rights and responsibilities are divided between the partners.

Fieldwork conducted in Namibia for this report, discovered a range of existing relationships between the private sector and communities which were difficult to classify as “joint ventures or not” or “partnerships or not” according to the above definitions. For the purposes of this report we adopt the definition of partnerships used by IIED in its work on the forestry sector (IIED 1998):

*Partnerships refer to the range of relationships, which are actively entered into, on the expectation of benefit, [by the private sector and communities]. Partnerships may be formal schemes, contracts and agreements or informal arrangements; in some cases they may involve the brokerage or mediation of third parties, such as government agencies or NGOs. In some contexts, several of these forms of collaboration may overlap.*

To prevent confusion we avoid the use of the term joint venture as it subject to a number of interpretations. We prefer instead to examine partnerships as broadly defined above according to key characteristics such as ownership, extent of community involvement, division of rights and responsibilities.

### **4.2 Trends in Private Sector-Community Relationships in Namibia**

The upsurge in tourism in Namibia has been particularly marked in the communal lands of the northern regions (although recently this has been somewhat upset by unrest in Caprivi causing a collapse in the

region's tourism industry). The majority of tourists come to Namibia for its spectacular landscapes and wildlife, much of which occurs on communal land. However, until recently, tourism enterprises operating in these areas have done little to benefit the communities whose land they utilise. Callihan (1999) notes that the "relations between communities and the tourism lodge owners can most often be characterised as paternalistic, informal and ad hoc". Callihan goes on to point out that this situation existed "because the government's policies did not favour community participation in either consumptive or non-consumptive wildlife use, and because communities did not have the skills, organisation or capital to be able to take advantage of market opportunities".

However, the many policy changes since independence as detailed in the previous chapter have meant that relationships between private sector and communities are changing. As rights to land and wildlife resources are increasingly being devolved to the local level, the private sector is recognising the need to work with local people and acknowledging their central role in maintaining cultural and natural heritage – assets which attract tourists (Ashley and Roe 1998). Where previously private operators could negotiate with government ministries for access to tourism resources on state or communal land they now find themselves in the position of having to negotiate with local communities for access to these resources (Ashley and Roe 1998). This is a significant change in the way that tourism is managed in Namibia, and it is one that has the potential to bring about a more sustainable and equitable tourism industry.



### 4.3 Characteristics of Private Sector-Community Partnerships in Namibia

A result of the trends discussed above is that a variety of private sector-community partnerships can now be found in Namibia. Such partnerships range from the very formal and contractual to the informal. Some involve non-consumptive tourism, others hunting only, while some focus on complementary activities such as cultural villages and craft production. They can be found on communal or conservancy land but also on private and state land. Broadly speaking, partnerships can be divided into eight main types:

1. A company enters into an agreement with a community to develop a new enterprise on conservancy land e.g. Wilderness Safaris and Torra Conservancy (Case Study 1).
2. A company with an existing facility on communal land that becomes registered as a conservancy enters into an agreement to share benefits with the local community. This is in recognition of the changing land and resource rights. e.g. Skeleton Coast Safaris and Torra Conservancy (Case Study 1)
3. A company enters into a “good neighbours” agreement with a community living next to or near an existing private enterprise e.g. Lianshulu Lodge and local villages (Case Study 2).
4. A company leases hunting rights from a community e.g. Africa Safari Trails and #Khoadi/Hoas conservancy (Case Study 3)
5. A company enters into an agreement with a community to utilize an existing community-based facility e.g. SandyAcre Safaris and Aba Huab Camp (Case Study 4)
6. A company enters into an agreement with a community to develop a new community-based facility e.g. Kaokohimba Safaris and the Himba community (Case Study 5)
7. A company enters into an agreement with a community to “buy in” services or products – usually to complement an accommodation facility e.g. Intu Afrika and the !Kung (Case Study 6).
8. A company enters into an agreement with a community to develop and market products e.g. Mud Hut Trading and various communities (Case Study 7).

The type of partnership entered into usually depends on the type of company (e.g. whether it is a hunting company, a tour operator, an accommodation provider etc) and the type of community (whether in a conservancy or not and whether “on site” or not). This categorization of communities according to land tenure is used deliberately since community rights to land and resources are one of the key driving factors behind the development of tourism partnerships Table 4.1 summarises the different types of partnerships or agreements according to the type of company and community involved.

**Table 4.1: Different types of private sector-community agreements**

PRIVATE SECTOR	COMMUNITY		
	Conservancy	Non-conservancy	Remote/Off-site
Accommodation provider	<ul style="list-style-type: none"> <li>• New ventures</li> <li>• Community benefits from existing private sector enterprises</li> <li>• Private sector help to develop new community based enterprises</li> <li>• Buying in of services</li> <li>• Development and marketing of tourism related products</li> </ul>	<ul style="list-style-type: none"> <li>• Good neighbours agreements</li> <li>• Private sector help to develop new community based enterprises</li> <li>• Buying in of services and products</li> <li>• Development and marketing of tourism related products</li> </ul>	<ul style="list-style-type: none"> <li>• Buying in of services and products</li> <li>• Development and marketing of tourism related products</li> </ul>
Tour operator	<ul style="list-style-type: none"> <li>• Utilisation of existing community-based enterprise</li> <li>• Buying in of services and products</li> </ul>	<ul style="list-style-type: none"> <li>• Utilisation of existing community-based enterprise</li> <li>• Buying in of services and products</li> </ul>	
Hunting operator	<ul style="list-style-type: none"> <li>• Lease of hunting rights</li> <li>• Buying in of services and products</li> </ul>	<ul style="list-style-type: none"> <li>• Good neighbours agreements</li> <li>• Buying in of services and products</li> </ul>	
Product –based company	<ul style="list-style-type: none"> <li>• Development and marketing of tourism-related products</li> </ul>	<ul style="list-style-type: none"> <li>• Development and marketing of tourism-related products</li> </ul>	<ul style="list-style-type: none"> <li>• Development and marketing of tourism-related products</li> </ul>
Tourism construction company	<ul style="list-style-type: none"> <li>• Buying in of services and products</li> </ul>	<ul style="list-style-type: none"> <li>• Buying in of services and products</li> </ul>	<ul style="list-style-type: none"> <li>• Buying in of services and products</li> </ul>

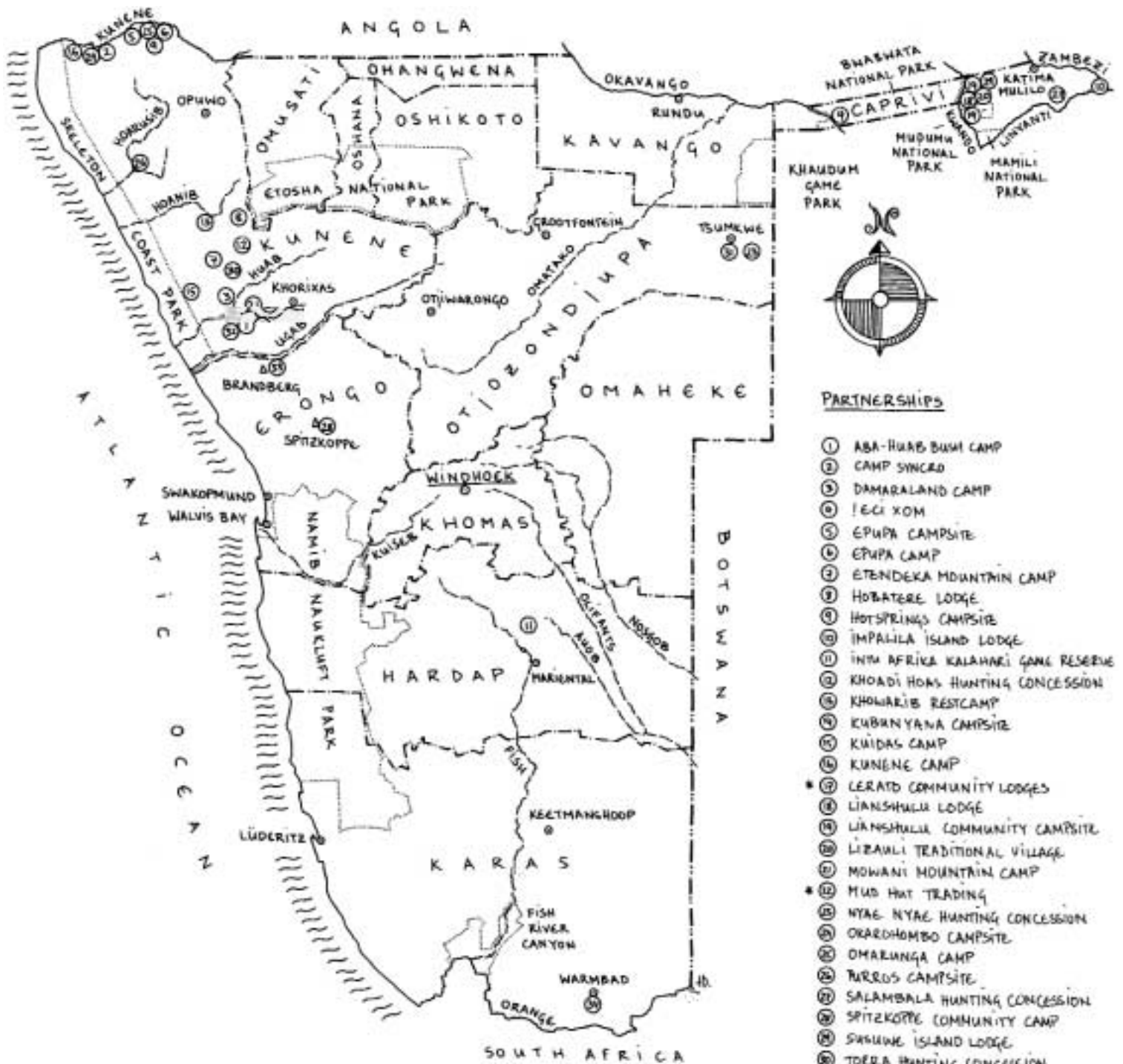
For each type of partnership both sides may agree a variety of different types of inputs to be made (including capital investment, land, labour, time) and benefits to be received (e.g. exclusive rights, equity shares, employment, training) – see Table 4.2.

A description of all the different partnerships identified in the fieldwork is given in the Inventory (Volume III). This includes partnerships that have already been terminated, others that have not made it beyond the proposal stage as well as ongoing partnerships and ones that are currently being negotiated (see map – right).

**Table 4.2 Components of Different Private Sector-Community Partnerships**

Type of Partnership	Private Sector Inputs	Community Inputs	Examples
1. Development of new ventures on conservancy land	Capital Investment Land rental payment Equity shares/dividends Bed night levies Revenue share Asset transfer Training Employment Outsourcing of services	Exclusive use of land Maintenance of concession area Options on future developments Services (e.g. laundry)	<ul style="list-style-type: none"> <li>• Wilderness Safaris Namibia and Torra Conservancy (Damaraland Camp)</li> <li>• Island Lodge Management and Mayuni Conservancy (Susuwe Island Lodge)</li> <li>• Lerato Leisure Holdings and various conservancies (aborted)</li> </ul>
2. Benefiting communities from existing private sector enterprises on conservancy land	Bed night levies Land rental payment Revenue share Training Employment Outsourcing of services	Exclusive use of land Maintenance of concession area Options on future developments Services (e.g. laundry)	<ul style="list-style-type: none"> <li>• Skeleton Coast Fly in Safaris and Torra Conservancy (Terrace Fountain)</li> <li>• Skeleton Coast Safaris and Purros Community (Purros camp)</li> <li>• Hobatere Lodge and Khoadi Hoas Conservancy (under negotiation)</li> </ul>
3. Good neighbours agreements	Bed night levies Employment Compensation for wildlife damage Development funds Payments to headmen Capital investment/loans Outsourcing	Conservation/resource management activities Goodwill Production of food and produce for lodges	<ul style="list-style-type: none"> <li>• Lianshulu Lodge and Lianshulu and Lizauli communities</li> <li>• Etendeka Mountain Camp - surrounding communities (although likely to move to type 2)</li> </ul>
4. Leasing of hunting rights	Trophy fees Employment Training Hunting by-products (meat, hides etc)	Exclusive rights to wildlife quota Designated hunting areas Maintenance of area for wildlife	<ul style="list-style-type: none"> <li>• La Rochelle and Nyae Nyae conservancy</li> <li>• Wésé Safaris and Salambala conservancy</li> <li>• Ogongo Safaris and Khoadi Hoas conservancy</li> <li>• Savannah Safaris and Torra conservancy</li> </ul>
5. Utilising an existing community-based enterprise	Capital investment Training Outsourcing of services Marketing	Guaranteed use of facilities (e.g. for campsites) Services (e.g. cooking/laundry) Tourism product (e.g. cultural attraction)	<ul style="list-style-type: none"> <li>• Aba Huab Campsite and SandyAcre Safaris</li> <li>• Spitzkoppe Community Camp and Uri Adventure Safaris</li> <li>• Ugab River Camp and Trans-Namibia Tours</li> <li>• Khowarib Rest Camp and Sunrise developers/Rhino Tours (failed)</li> </ul>
6. Assisting community to develop a new community-based enterprise	Capital investment Training Marketing Development funds	Complementary product Labour	<ul style="list-style-type: none"> <li>• Lianshulu Lodge and Lizauli Traditional Village</li> <li>• Kaokohimba Safaris and Okapupa/Omivangu community</li> <li>• Lianshulu Lodge and Lianshulu village campsite (proposed)</li> <li>• Island Lodge Management and Mayuni Conservancy (Kubunyana Camp).</li> </ul>
7. "Buying in" services or products	Training Purchase agreements Accommodation	Cultural performances Visiting rights	<ul style="list-style-type: none"> <li>• Intu Afrika and Corridor 17 Community</li> <li>• Kaoko himba and Marienfluss Community</li> <li>• Pro-thatch and various communities (thatching grass)</li> </ul>
8. Development and marketing of tourism-related products	Guaranteed outlet Training Marketing	Supply of high demand product	<ul style="list-style-type: none"> <li>• Mud Hut Trading and various communities</li> <li>• Kaokohimba Safaris and Okapupa community</li> </ul>

Private Sector-community tourism partnerships in Namibia



**PARTNERSHIPS**

- ① ABA-HUAB BUSH CAMP
- ② CAMP SYNCRO
- ③ DAMARALAND CAMP
- ④ ! ECI XOM
- ⑤ EPUPA CAMPSITE
- ⑥ EPUPA CAMP
- ⑦ ETENDEKA MOUNTAIN CAMP
- ⑧ HOBATERE LODGE
- ⑨ HOTSPRINGS CAMPSITE
- ⑩ IMPHILA ISLAND LODGE
- ⑪ INTY AFRICA KALAHARI GAME RESERVE
- ⑫ KHOADI HORN HUNTING CONCESSION
- ⑬ KHOKHOB RESTCAMP
- ⑭ KUBRNANYANA CAMPSITE
- ⑮ KUIDAS CAMP
- ⑯ KUNENE CAMP
- \* ⑰ LERATO COMMUNITY LODGES
- ⑱ LIANSHULLA LODGE
- ⑲ LIANSHULLA COMMUNITY CAMPSITE
- ⑳ LIRAWLI TRADITIONAL VILLAGE
- ㉑ MOWANI MOUNTAIN CAMP
- \* ㉒ MUD HAT TRADING
- ㉓ NYAE NYAE HUNTING CONCESSION
- ㉔ ORARDHOMBO CAMPSITE
- ㉕ OMARUNGA CAMP
- ㉖ TURROS CAMPSITE
- ㉗ SALAMBALA HUNTING CONCESSION
- ㉘ SPITZKOPPE COMMUNITY CAMP
- ㉙ SWAKWE ISLAND LODGE
- ㉚ TOERA HUNTING CONCESSION
- ㉛ TSUMKWE LODGE
- ㉜ TUITELFONTEIN COUNTRY LODGE
- ㉝ UGAB RIVER CAMP
- ㉞ WARMBAD

**LEGEND**

- 1:7 500 000
- INTERNATIONAL BOUNDARY
- - - REGIONAL BOUNDARY
- PARK BOUNDARY
- ~~~~ RIVER
- ~~~~ EPHEMERAL RIVER
- ▲ MOUNTAIN
- TOWN
- ⊙ PARTNERSHIP

**NOTES:** PARTNERSHIPS MARKED WITH AN ASTERISK (\*) ORBATE FROM VARIOUS LOCATIONS AND ARE NOT FEATURED ON THE MAP.

## Box 4.1 Profile of Private Sector Community Partnerships in Namibia

<p><b>Who is involved?</b></p> <ul style="list-style-type: none"> <li>Increasingly conservancies, but also traditional authorities and individual community members</li> <li>Large international companies and individual owners of lodges</li> </ul> <p><b>Inputs on both sides</b></p> <ul style="list-style-type: none"> <li>Community input – access to land, wildlife or cultural attractions and tourism rights – i.e. intangible inputs that are difficult to value</li> <li>Private sector input – land rent, bednight levies, payment for hunting quotas, employment, training</li> </ul> <p><b>Who owns the partnership enterprise?</b></p> <ul style="list-style-type: none"> <li>Primarily privately owned – a few community owned but no jointly owned</li> <li>Community owned ventures tend to be complementary activities – traditional villages, craft production</li> </ul> <p><b>Who initiates the process?</b></p> <p>Majority initiated by the private sector partner but conservancies are beginning to take the initiative</p> <p><b>Formal or informal?</b></p> <p>Majority of partnerships are formal</p> <p><b>How are partners selected?</b></p> <p>Primarily one-to-one negotiation Tendering only for hunting so far</p>
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**Table 4.3 Key Characteristics of Private Sector-Community Partnerships in Namibia**

Partnership	Current Status of the Agreement	Community Entity Involved	Ownership of the Enterprise	Control of Management	Control of Marketing	Initiator of the Partnership Process	Selection Process	Nature of the Agreement
<b>Accommodation</b>								
Etendeka	Ongoing	Traditional authorities	Private	Private	Private	Company	One-to-one negotiation	Informal
Kaokohimba Safaris/Marienfluss Community Camp Syncro	Ongoing	Traditional authorities*	Private	Private	Private	Company	One-to-one negotiation	Informal
Kaokohimba Safaris/Marienfluss Community Okarohombo campsite	Ongoing / to be formalised	Traditional authorities* /campsite committee	Community	Joint	Private	Community	One-to-one negotiation	Formal
Lianshulu Lodge/Lianshulu, Lizauli, Lubuta, Sachona and Sauzuo communities	On hold	Traditional authorities	Private	Private	Private	Company	One-to-one negotiation	Informal
Wilderness Safaris and Torra Conservancy	Ongoing	Conservancy Committee	Private	Private	Private	Company	One-to-one negotiation	Formal
Anvo Safaris/!Eci Xom	Under negotiation	Traditional authorities	Private	Private	Private	Company	One-to-one negotiation	Formal
Hobatere/Khoadi Hoas	Negotiation suspended	Conservancy committee	To be determined	Private	Private	Community	One-to-one negotiation	Formal
Uri Adventure/ Spitzkoppe	Terminated	Project Committee	Private	Private	Private	Company	One-to-one negotiation	Formal
Skeleton Coast/Torra Conservancy	Proposal	Conservancy committee	Private	Private	Private	Community	One-to-one negotiation	Formal
Swanson Enterprises/	Proposal	Youth Group	Joint	Private	Private	Company	One-to-one negotiation	Formal

Warbad Lerato/Various communities	Abandoned proposal	Conservancy committees?	Joint	Private	Private	Company	One-to-one negotiation	Formal
Api Group/!Xo	Ongoing	Traditional authorities	Private	Private	Private	Company	One-to-one negotiation	Formal
Sandy Acre Safaris/Aba Huab	Terminated	Community member	Community	Community	Private	Company	One-to-one negotiation	Formal
TransNamibia Tours/Ugab	Terminated	Community member	Private	Joint	Private	Company	One-to-one negotiation	Formal
Tsumkwe Lodge/Nyae Nyae	Terminated	Conservancy Committee	Private	Private	Private	Community	One-to-one negotiation	Never formalised
<b>Hunting</b>								
La Rochelle and Nyae Nyae	Ongoing	Conservancy committee	Private	Private	Private	Community	Tendering followed by negotiation	Formal
Africa Safari Trails and Khoadi Hoas	Ongoing	Conservancy committee	Private	Private	Private	Community	Tendering	Formal
Savannah Safaris and Torra Conservancy	Ongoing	Conservancy committee	Private	Private	Private	Community	Tendering	Formal
Wésé Safaris and Salambala	Ongoing	Conservancy committee?	Private	Private	Private	Community	Tendering	Formal
<b>Crafts</b>								
Craft production Kaokohimba/Marienfluss	Ongoing	Craft producers	Community	Community	Private	Company	Negotiation	Informal
Mud Hut Trading/various communities	Ongoing	Producer groups	Community	Community	Private	Company	Negotiation	Informal for quantities Formal price guidelines
<b>Support Services/Spin Off</b>								
Lianshulu Lodge/Lizauli Traditional Village	Ongoing	Traditional authorities	Community	Community	Mainly private	Company	Negotiation	Informal Formal
Prothatch/various	Ongoing	Individuals	Community	Community	Private	Company	Negotiation	

A summary of the key characteristics of these partnerships is given here with a focus on:

- Inputs to the partnership from both sides;
- Ownership and control of the partnership enterprise;
- Process by which the partnership is formed.

#### 4.3. 1 Community and Private Sector Inputs to Partnerships

The inputs that are typically made to the partnerships by communities and private sector are set out in Table 4.2. To some extent these depend on the type of product or service involved such that inputs for handicrafts and tourism support services are mainly related to providing a sales outlet and training on the private sector side and a commitment to reliable supply and quality on the community side. For accommodation and hunting, there is a wider range of possible inputs. For the private sector partner, as well as the capital investment that is needed to get the enterprise going, these inputs include:

- Revenue shares
- Land rental
- Trophy fees
- Employment and training
- Outsourcing of services
- Asset transfer
- Equity shares

From the community side, the inputs for tourism and hunting partnerships are primarily access to wildlife and cultural attractions, access to land and conservation/resource management activities. These are intangible and difficult to value. Table 4.2 shows that land tenure is not so critical in determining the range of inputs as some apply to more than one land tenure situation. However, within each of these land tenure categories there is considerable variation in the mix of inputs. For example, currently only one partnership on communal land, Damaraland Camp (between Wilderness Safaris Namibia and Torra Conservancy) involves asset transfer. The magnitude of inputs though does appear to be related to land and resource tenure. Bednight levies are higher for the Damaraland Camp as the Torra Conservancy has legally recognised rights over the wildlife resource, than at Lianshulu and Etendeka lodges, both of which are on government concessions rather than communal land. The payments in the latter cases were made voluntarily in recognition of informal rights and in the belief that community goodwill is important for the conservation of the wildlife resource.

#### **4.3.2 Ownership and Control**

Another key characteristic of tourism partnerships concerns the extent of involvement of the community or the private sector partner in running the venture. In practice this appears to be closely linked with the formal ownership of the partnership enterprise.

As can be observed in Table 4.3, the only partnership enterprises where communities have control over management are those that are community-owned. Community-owned enterprises tend to be in complementary activities such as traditional villages or craft production or in small-scale low investment activities such as community campsites. For these types of partnerships, private sector involvement currently rarely goes beyond marketing or providing some initial financial assistance although other arrangements such as a private company are contracted by the community to manage the enterprise could be possible.

For privately-owned ventures in Namibia community involvement in management and marketing is currently minimal. The majority of such partnerships revolve around payment by the private sector for access to wildlife and land rather than a commitment to community involvement.

Joint shareholding in an enterprise is more akin to the legal definition of a partnership and could in theory entail some involvement from both sides in management of the enterprise. However, there are no existing examples in Namibia of tourism or hunting enterprises jointly owned by private sector and community although there have been some proposed ventures of this type. The partnership ventures presented in Table 4.3 that are ongoing in Namibia are either 100 per cent owned by the private sector or 100 per cent owned by the community. The agreement for Damaraland Camp specifically states that it is not a partnership in this sense but holds open the possibility of transfer of assets.

#### **4.3.3 Processes for Negotiating Partnerships**

As can be seen from Table 4.3, partnerships in Namibia to date have mostly been initiated by the private sector. Most of the cases where communities are leading the process are in conservancy areas indicating the positive impacts of the new institutions in transforming communities from passive recipients of company partnership proposals into proactive seekers of new opportunities.

A number of the partnerships involve informal agreements but are outnumbered by the formal agreements. It is also noticeable that all of the arrangements currently proposed or under negotiation will involve a formal written agreement. This is clear evidence that more formal relationships are gaining precedence over the informal "blanket and brandy deals" that operators and lodge owners previously secured with traditional headmen. The majority of partnerships involve direct negotiation of terms and conditions between the community and a single company rather than a formal selection process with bids from several companies. The hunting partnerships which all involve tendering are the notable exception to this (see case study 3).

## **5. CASE STUDIES OF TOURISM PARTNERSHIPS IN NAMIBIA**

### **Case Study 1**

#### **Torra Conservancy: Negotiating both Financial and Non-Financial Benefits**

The Torra conservancy, which was established in 1998, was one of the first of its kind in Namibia. It is located in the Twyfelfontein region of the Kunene Province in north west Namibia and covers an area of 80,000 ha. It has 300 members and a total population estimated at around 500. The conservancy is characterised by spectacular arid mountainous scenery and a wide range of wildlife including elephants and lions.

The main productive activity is livestock farming but because of the arid conditions cattle numbers are low and no one owns a herd of more than 30 animals (IDRNC 1999). There is some paid employment at a boarding school hostel in Bergsig or outside the conservancy at Palmwag lodge. Otherwise the only cash incomes are from state pensions and remittances. Unemployment is high with the result that many of the young people from the community migrate to urban areas to look for work. The need for jobs is one of the key factors influencing the conservancy committee decisions.

Torra conservancy is currently the only community in Namibia that has both tourism and hunting agreements. It also provides the only example in Namibia of a formal agreement between a large tourism company and a community. This agreement in many aspects, both financial and non-financial, provides a good model for other communities to follow. It has also influenced the conservancy committee in their discussions with hunting companies. Nevertheless representatives of the conservancy committee still feel there is room for improvement.

Financial benefits from tourism and hunting agreements are clearly important. This is because establishing and running a conservancy implies responsibilities and costs in addition to those explicitly specified in hunting and tourism agreements. In order to qualify for a hunting quota each year, the conservancy needs to demonstrate that it is managing the resource well. This implies expenditure on resource monitors to guard against poaching and to survey the wildlife resources, as well as maintenance of the conservancy i.e. fencing, water holes etc. The conservancy currently employs 5 game guards, one secretary and a field officer. It has to maintain an office and vehicle while the conservancy committee also puts in unpaid time. Current running costs are estimated at N\$137,000 of which 20% is currently provided by IRDNC. IRDNC also employs a field coordinator who acts as treasurer on an unpaid basis for the conservancy. The intention is for external assistance to be phased out so the conservancy will have a greater cost burden in the future.

The conservancy is therefore keen for income-generating activities to cover these costs. Nevertheless, the community has showed in the course of negotiations with Wilderness Safaris and subsequently with other companies that other issues such as ownership, employment and non-financial benefits are also high on its agenda.

#### **Benefits from the Tourism Agreement**

The Residents Trust that preceded the Conservancy entered into negotiations in 1994 with Wilderness Safaris, a large African adventure travel company and reached a successful outcome in 1996 when an agreement was signed for establishment of a luxury tented camp, Damaraland Camp. Direct financial benefits to the community from the Damaraland camp include a bednight levy of 10% of accommodation price (net of sales tax) and an annual rental of N\$3,000 for the permission to occupy the land. Payments to the community from bednight levies despite low occupancy levels have been fairly significant. Between July 1998 and June 1999 they equalled N\$174,846, equivalent to N\$582 per community member (although revenues have not been distributed this way). This would be comparable to about three months of pension payments or wages from casual agricultural labour. Nevertheless, other types of benefit are also significant. This reflects the fact that in the negotiation phase community representatives pressed harder for increasing Wilderness Safaris' commitments to training and to transferring ownership than to increasing their revenue share (Ashley and Jones 1999).

The opportunity of employment at Damaraland Camp is considered a significant benefit as it is better paid and more reliable than the other work available in the region. Fourteen people from various parts of the conservancy currently work at the camp and have accommodation there. In addition there is casual employment for people who live locally. Payments in the form of local salaries including casual labour are currently around N\$200,000 per year, thus exceeding bednight levies. In addition, small amounts are paid to the community for laundry services (N\$ 4,930 over the 12 months to June 1999).

Ownership of the venture was also a key issue in the negotiations and a flexible approach was adopted. The agreement states that Wilderness Safaris has ownership of the assets of the enterprise but opens the possibility for the community to purchase these either at the end of the agreement i.e. after ten years or to

extend the contract by a further 5 years and acquire 20% of the assets each year through a corresponding reduction in the payments of rental and bednight levy.

A training programme was also agreed in the negotiation. Thus some community members benefit from expenditure by the company on training (estimated at N\$23,812) in 1998/99.

### **Benefits from Hunting Agreements**

In contrast to the tourism venture, benefits from hunting agreements have been primarily financial so far but the conservancy is considering ways of increasing non-financial benefits. In 1998 Savannah Safaris, the company with the hunting concession paid a lump sum or area fee of N\$17,000 and fees per animal shot, which amounted to N\$120,000. However, it was agreed that bushmeat from animals hunted by the safari company would be distributed locally. There was no provision for formal training in the agreement but people from the community were involved in skinning and thus learnt by doing. In addition, one of the conservancy's game guards worked with the hunting company although he was not paid other than by the conservancy. Part of the reason for the predominance of financial benefits is that hunting contracts have been only one year in duration. The conservancy committee intends to move to three year contracts in order to increase the scope for non-financial benefits.

The short-term nature of the contract also explains why there has been no investment by the hunting company in accommodation within the conservancy. Clients are accommodated at campsites or lodges nearby, notably Palmwag. This situation may change if a longer contract is negotiated next year.

### **The Importance of Non-Financial Issues**

The Torra Conservancy has done very well in relation to other communities. It has two agreements with total revenues exceeding the costs of running the conservancy. It is also likely to benefit from a proposed agreement with Skeleton Coast Fly-In Safaris. This company has been operating a camp for some years on land which previously formed part of a concession area but which falls within the boundaries of the Torra Conservancy. An annual lease fee of N\$3,000 is expected plus a bednight levy of N\$50 per visitor. Nevertheless conservancy representatives still feel that non-financial issues require more attention. In particular they believe that more local involvement in management is important. Although a training programme was agreed as part of the Damaraland camp negotiations, in practice this has proceeded rather slowly (Bennie Roman pers comm).

This desire for local involvement is reflected in the approach to proposals for tourist developments in other parts of the conservancy. Last year the committee was in negotiations with an investor but did not accept the proposal, as it did not involve the community sufficiently. The conservancy wanted the community to retain access to the land involved and for there to be a training component. The investor wanted the site to be exclusive and so negotiations were terminated. Wilderness Safaris have also submitted a proposal for a rhino-tracking venture at a site called Poacher's Camp. The conservancy's response has been to request a more detailed proposal with income projections over five years. They recognise that Poacher's Camp is the site with greatest tourism potential in the conservancy and one where they have contemplated starting an enterprise on their own. Alternatives to a community owned enterprise there have to demonstrate that they can generate income for the conservancy and involve the community.



## Case Study 2

### A Diversity of Arrangements: Lianshulu Lodge and the Communities Around Mudumu National Park, East Caprivi

Partnerships between the private sector and communities don't necessarily have to be formal "jointly owned enterprises" arrangements or contractual agreements between lodges and communities. Lianshulu Lodge in West Caprivi is an interesting example of a private business that has developed a wide range of voluntary agreements with its neighbouring communities.

Lianshulu in Mudumu National Park is a luxury lodge comprising Main Lodge, accommodating 22 guests, and Bush Lodge accommodating 16 guests. It is owned and managed by three partners – one at the lodge, one in Windhoek and one in Botswana. The lodge operates out of a private concession within a national park and has been in existence for 10 years. Each of the partners has a personal commitment to ensuring that tourism benefits the neighbouring communities and in April 1992 a workshop was held at the lodge to discuss the potential benefits to communities from wildlife conservation and the subsequent development of wildlife-based tourism. Subsequently the lodge has developed a number of initiatives with the five communities neighbouring the park: Lianshulu, Lizauli, Sauzuo, Sachona and Lubuta – a total of nearly 750 households, and several thousand people (Jones 2000).

#### Lizauli Traditional Village

The first initiative the lodge embarked on in 1993 was to assist the Lizauli Community, 13 km north of the lodge to develop a traditional village as a tourist attraction. Lianshulu Lodge put N\$20,000 capital to build the village and to provide advice on running it as a tourist attraction. Members of the Lizauli community provide tourists with guided tours of the village, demonstrating traditional practices and providing dancing displays. Tourists pay an entry fee of N\$20 to the village and are also encouraged to make an additional donation to the guides and dancers at the end of the tour. The village also includes a craft stall, which sells crafts made by Lizauli community members. The Village is now self-sustaining, N\$10,000 of the capital investment has been repaid to Lianshulu Lodge and the remaining N\$10,000 written off. The lodge promotes the village to all its clients, for whom it serves as an extra attraction in the area.

#### Bed Night Levy

Also in 1993, following discussions with the Linyati Khuta (the Mafwe tribal authority) and the NGO IRDNC, Lianshulu Lodge instituted a bed night levy of N\$5 per tourist per night to be paid to the five neighbouring communities. By 1995 the Lodge had accumulated N\$26,000 and brought in IRDNC to assist in the distribution of the funds. IRDNC organised a series of village meetings in order to inform as many individuals as possible about the bed night levy and its connection to wildlife conservation activities in the national park, and to assist them to decide how the money should be distributed and spent. Three of the villages – Sauzuo, Lianshulu and Lizauli – divided the money between individual households generating N\$35 per household, while Lubuta and Sachona used their share of the funds for community projects. In 1999 interviews were conducted with a number of local people to determine whether the bed night levy had made any difference to their attitudes to the park, the lodge and to wildlife. The response was that while the funds had generated a more positive attitude, there had only been one distribution and more money was needed for the surrounding communities to really feel they were benefiting from tourism. Two local IRDNC facilitators who were also involved in the interviews reported a decline in poaching in the park and more cooperation between the communities and the local community game guards.

Interestingly, in hindsight, both the villagers and the lodge management agreed that the bed night levy would have made more impact if it had been spent on community income-generating projects rather than being distributed to individual households and that if there were to be a second distribution that would be the preferred option (although it should be noted at the time the money that was distributed individually was received promptly while there were long delays deciding what to do with the collective income (Ashley pers comm.)

#### Development of Lianshulu Community Camp Site

Lianshulu Village have acquired permission from the MET to operate a tourism venture in the park (as compensation for being relocated when the park was gazetted). Prior to the latest bout of disturbance in Caprivi in January 2000, Lianshulu Lodge had stated that it would assist the community in this venture by providing capital for the construction costs, uniforms, removing rubbish, maintenance etc. A Community Trust was to be formed, to be jointly administered by the lodge and the community, into which income would be paid and out of which would come salaries, maintenance costs and capital repayments. At the time of writing and with continuing unrest in Caprivi the status of this venture is not clear.

#### Other Agreements

Lianshulu Lodge provides a number of other benefits to the surrounding communities in return for wildlife conservation activities including:

- **Compensation for lion kills:** The lodge compensates the surrounding communities (7-8 km to the South or North of the park) for any cattle killed by lions.
- **Compensation for wildlife quota foregone:** The Mayeyi Traditional Authority is entitled, by the MET, to take six buffalo from the park per year for community feasts etc. As compensation for not doing this the lodge buys them six cattle a year for their annual celebrations in lieu of buffalo.
- **Direct employment:** When operating at full capacity the lodge employs around 40 local staff and provides accommodation, food and training. These jobs are highly sought after since there are limited other employment opportunities in the area. Salaries range from N\$600/month to N\$2500/month for trained guides – a large amount of money compared to returns from livestock. (Up to date figures for net revenues from livestock per household are not available but 1993 estimates put the figure at N\$384 per annum in 1993 (Ashley, Barnes and Healy 1994)).
- **Other initiatives** The lodge also provides other assistance to the neighbouring communities e.g. a monthly ration of mealie meal, tea, coffee etc to the Khuta, monthly visits by a nurse, car repairs, building repairs etc; plus it operates an open invitation to local schools in the area to visit the lodge and learn about tourism, wildlife, conservation etc.

### **Benefits to Lianshulu Lodge**

The various arrangements that Lianshulu Lodges has with the communities around Mudumu National Park appear at first glance to very one-sided. What motivation does the lodge have for entering into these agreements and what return does it get for its money? Prior to Independence, Caprivi was a military zone with little conservation activity. Tourism has only been established for ten years in region and the Lodge management see good relations with the neighbouring communities as essential to the long-term protection of the area and the tourism product. Relations between the lodge and surrounding communities have not always been good (Ashley pers comm.) but overall the Lodge has found that demonstrating to local communities that wildlife conservation pays in the form of benefits from tourism therefore makes good, long-term business sense. The Lodge also values the support it gets from the local tribal authority in helping to resolve any employment disputes, particularly when staff have had to be laid off as a result of under-occupancy during the periods of disturbance.

Due to the secessionist uprising in the East Caprivi and the Angolan civil war spilling over into the Kavango Region, tourism through the East Caprivi has come to a complete standstill in 2001. A consequent severe decline in income to the lodge has meant that no further levies have been paid out at this stage and staff has been reduced to the main lodge only. Due to a lack of visitors at Lizauli, the traditional village is closed and abandoned. With EU support, a “rescue” plan is being initiated focussing less on transit traffic but more on potential markets at Victoria Falls (Zimbabwe) and Kasane (Botswana). Air Namibia will operate a scheduled air service to the Mudumu airstrip at Lianshulu to try and “kick start” tourism again. The Lianshulu Lodge keeps its staff on a retainer salary and will open a customs facility at the lodge to allow for direct air charter traffic to and from Botswana.

## Case Study 3

### #Khoadi//Hoas Hunting Agreement: Learning from Mistakes

The #Khoadi//Hoas Conservancy was officially registered in June 1998. It covers approximately 25,000 hectares and has 1,200 members who are largely dependent on livestock farming as their main livelihood activity and potential source of income. Shortly after registering as a Conservancy #Khoadi//Hoas was approached by Terra Africana Safaris (TAS) who wished to secure a hunting contract. TAS presented the Conservancy committee with a contract for the hunting concession, which was quickly signed with no outside advice or facilitation.

The agreement did not work out, essentially because there was no obligation on TAS to pay for the #Khoadi//Hoas hunting quota in advance – the contract stipulated that TAS would pay a specific trophy fee to the Conservancy for every animal shot or wounded on the Conservancy area. In the event, although the contract was signed in June 1998, for some reason, TAS didn't undertake any hunting activities. The Conservancy therefore lost out on the potential income it could have generated from the season's hunting quota.

The Conservancy was keen to learn from its mistakes however and determined to secure a better deal for the following hunting season. As a result a workshop was organised by the LIFE Programme in March 1999 with the following objectives:

- To review the reasons why the agreement with TAS had not worked out;
- To draw on lessons learned from this agreement for the development of future agreements;
- To develop a hunting policy and guidelines for the Conservancy;
- To plan the marketing process for the 1999 hunting quota.

#### Key points of the TAS Contract

Aside from the fact that TAS did not actually utilise any of the #Khoadi//Hoas hunting quota, the contract itself had a number of weaknesses and potentially negative implications for the Conservancy, had it been implemented. These included:

- No obligation on TAS to pay for the full quota in advance;
- Responsibility to pick up meat from the hunting camp rested with the Conservancy rather than it being the responsibility of TAS to deliver it to the conservancy office
- Exclusive rights granted to TAS to use all areas of conservancy for hunting and other tourism purposes
- Right for TAS to sub let quotas to other companies
- Right for TAS to erect bush camps on any suitable site within designated wildlife areas of conservancy and to build infrastructure
- First option for a joint venture for tourism lodge allocated to TAS

#### Learning from the Experience

The first session of the workshop set out to discover what the problems had been with the way in which the TAS contract had been agreed. The following key points were identified by the members of the #Khoadi//Hoas management committee:

- The Conservancy entered into business without any experience
- They did not study the contract – especially details such as what can happen after hunting season and how it can affect other developments
- The contract was drawn up by TAS in their favour
- The contract was signed by the conservancy committee without any professional advice e.g. by the Legal Assistance Centre.
- The committee acted too hastily to sign the agreement with TAS and didn't advertise or approach other hunters for competitive bids
- The trophy fees were set too low
- The conservancy committee ignored advice from MET and LIFE
- The conservancy granted exclusive tourism rights to one operator

The workshop then moved on to address what #Khoadi//Hoas should do differently for the 1999 hunting season. The key points the participants identified included:

- Getting more insights into how to draw up a good contract by using professional advice such as LIFE and the Legal Assistance Centre
- Advertising the hunting concession so as to attract competitive bids
- Ensuring the trophy fees listed in the contract are competitive;
- Selling the quota as a complete package;

- Making sure the terms of the contract are fully understood and its implications assessed before signing
- Ensuring wide consultation amongst the conservancy members before signing
- Ensuring training of local people as hunting guides as a clause of the contract.

Having identified where the conservancy had gone wrong with their initial hunting agreement and what lessons they had learned from the experience the workshop then moved on to develop guidelines for all hunting operations in the #Khoadi//Hoas conservancy that could be used as the basis for preparing tender documents for future hunting agreements. These guidelines were based on experience in the Salambala Conservancy, which successfully completed a tendering exercise in 1999.

The guidelines include the following key clauses:

- The contract should be for two years with an option to renew;
- A proportion of the total quota value should be paid on signing of the contract and the remainder before the end of the hunting season;
- Trophy fees are agreed in US dollars and payments made in Namibian dollars based on the exchange rate at the day of contract signing and any N\$ appreciation in fees is passed on to the conservancy
- The concessionaire is liable for payment of the full concession fee whether or not he utilises the full wildlife quota
- The concessionaire may chose a site to establish a tented camp for hunting clients but this must fall within the designated wildlife area and be guided by the conservancy land use plan;
- A conservancy representative to accompany the concessionaire on all hunts
- The conservancy has the right (with justifiable reasons) to suspend the operations of the concessionaire
- The concessionaire is obliged to transport meat to the Conservancy office (Grootberg Breeding Station) at his expense;
- Wherever possible local people will be employed as hunting staff and will be provided with appropriate training by the concessionaire
- The concessionaire will provide the conservancy committee with 30 days notice of any hunts to avoid any potential conflict with other tourism activities
- The concessionaire should provide a full report on each hunt to the committee within two weeks and at the end of the hunting season, including information on total fees paid, number of staff employed and salaries paid, training provided, number of animals/birds harvested.

These guidelines effectively form the trophy hunting policy for #Khoadi//Hoas Conservancy and were used to draw up a tender document for the remainder of the 1999 hunting season and for the 200/2001 seasons. The guidelines were attached to the tender document as “operational conditions” and in addition a number of “tender conditions” were included which stipulate a reserve price for the concession and state explicitly that the agreement relates solely to hunting rights and that “any other negotiations related to tourism rights will be undertaken under a separate agreement”.

Four companies tendered for the #Khoadi//Hoas concession, the successful candidate being Africa Safari Trails which was selected not just on basis of the price offered for the quota but also for additional benefits: these included training and employment of four skinners/trackers plus the training of one professional hunter from within the community. Those to be employed are selected by the conservancy committee based on need (e.g. lack of any other sources of revenue).

## Case Study 4

### Who Decides? The Aba Huab Bush Camp

The agreement between SandyAcre Safaris and the Aba Huab Camp to develop a permanent, fully serviced bush camp provides an interesting example of a joint venture based on an existing facility that failed because of the possibility of developing something bigger and better.

Aba Huab is a well-known campsite on a well-travelled tourist route at Twyfelfontein in Damaraland. It is located on the left bank of the ephemeral Aba Huab River – the largest tributary to the Huab River. The catchment supports much wildlife of which the elephants of the western catchment are the best known. In addition the area is geologically spectacular and houses two national monuments – Twyfelfontein rock art; the largest collection of prehistoric rock paintings and engravings found in Namibia and the ‘Burnt Mountain’ a unique geological feature in Namibia. The site is located in an area of fenced and surveyed communal land – former white farms that have been redistributed to black Namibians. There is no real resident community at Aba Huab – the grazing rights of farm Twyfelfontein are allocated to one individual – although Twyfelfontein and the neighbouring farm Blaupoortkrans form the communal conservancy Uibasen with an adult membership of 62.

A loophole in the legislation regarding the utilisation of national monuments on communal land has made it possible for the resident farmer to obtain the sole rights to utilise this resource for which he charges an entrance fee per visitor and per vehicle. The present communal conservancy legislation does not stipulate revenue sharing other than wildlife and it is therefore fair to assume that the earnings from the national monument will remain with the camp owner.

#### The Partnership

SandyAcre Safaris – a British-oriented company which specialises in taking small groups of visitors on exclusive and very well serviced mobile safaris – approached the owner of Aba Huab camp to initiate a partnership whereby a fully serviced, permanent bush camp would be constructed alongside the existing campsite for use by SandyAcre and other “walk-in” clients. It was agreed that SandyAcre would provide capital to Aba Huab to build a field kitchen, store, shower block, water tower and dining areas. All SandyAcre’s necessary camping equipment – tents, beds, kitchen equipment etc would then be stored on site so that it didn’t have to be transported with each group of tourists. When SandyAcre was not using the site, Aba Huab would be free to use the campsite in addition to the existing camp to accommodate passing trade. The SandyAcre site would cost N\$35 per night compared to N\$20/night for the Aba Huab site. A proportion of the surplus fee would be passed to SandyAcre to offset the capital investment and the remainder retained by Aba Huab. A complete hand over of the camp was foreseen if SandyAcre was convinced of the management capabilities of Aba-Huab, with all the equipment would be transferred free of charge.

At first site the bush camp seems like an ideal partnership, building on an existing and successful community-based tourism enterprise. The bush camp was intended to offer a complementary product, providing serviced accommodation at a site that could previously only cater for self-sufficient campers. With the high number of visitors already using the existing campsite and the popularity of the Twyfelfontein geological attractions investment in the area appeared to be fully justified. However since the deal was agreed in 1997 very little progress occurred. A water tower was built but was left uncovered and animals got into the tank, drowned and contaminated the water. A shower block was constructed but was not useable due to the contaminated water. The kitchen and stores were partially constructed but not finished. SandyAcre found that there appeared to be very little interest in maintaining the site and that it was often not prepared for pre-booked visitors meaning that a SandyAcre representative had to visit the camp to make sure everything was in order prior to guest arrivals. With the stores building unfinished SandyAcre still had to bring everything with them – defeating the objective of the camp. As a result of the lack of interest SandyAcre decided to terminate the agreement.

#### What Went Wrong?

Analysts including tour operators and NACOBTA have concluded that the bush camp partnership failed because of the development of the Uibasen conservancy and the subsequent construction of two lodges at Twyfelfontein. It is thought that the bush camp was seen as an interim activity that lost momentum when the lodge construction was secured through a partnership agreement. This seems unfortunate since even with an operational lodge, the bush camp would still have filled a niche within the product range in the area and could have provided significant benefits. However, the private ownership of the site meant that decision-making over the ventures rested in the hands of one person who had no personal interest in the bush camp.

## Case Study 5

### Kaokohimba Safaris: Working *with* the Community *for* the Community

The Marienfluss valley in Kaokoland, north-west Namibia runs from north to south between the massive Otjihipa Mountains to the east and the Hartmann Mountains to the west. Only two roads lead into the valley adding to the remoteness of the area. Kaokoland is populated by the Himba – semi-nomadic cattle herders, farming on a subsistence basis. The Himba live a traditional life in extended families and migrate within certain areas according to the availability of grazing for the cattle. The area occupied by the Marienfluss community is approximately 3000 km<sup>2</sup>. The population of some 400 individuals is divided almost equally over the Marienfluss and Hartmann's Valley. The total population can roughly be divided into two communities – one at Ombivangu and one at Okapupa. The traditional authority rests with one headman, one senior councillor and a 'board' of six additional councillors.

The Himba are probably Namibia's most advertised cultural group and no publicity on Namibia is complete without a picture of a (half-naked) Himba woman. Their semi-nomadic lifestyle makes it easy to encounter them throughout Kaokoland. They normally walk long distances and seldom use faster means of transport than donkeys. Village life is an ongoing event of domestic and cattle farming duties. These activities and the appearance of the Himba people are what attract tourists who visit Africa in search of an authentic cultural experience.

Fewer than five tour operators visit the Marienfluss on a regular (scheduled) basis. The product offered by them is not necessarily cultural. It is often two relaxed nights at the 'turn-around' point of their journey where the scenery is splendid and the Himba form part of the overall setting.

Kaokohimba Safaris was started by one individual in 1989 who conducted overland safaris to the area and, with the approval of the headman, built Camp Syncro, which accommodates a maximum of eight visitors at one time. The core cultural product offered by Kaokohimba Safaris is a village visit. Visits are equally divided across the two main settlements at Okapupa and Ombivangu although smaller temporary settlements of these two communities might be visited if migratory patterns bring people closer to Syncro and Okarohombo. Village visits are not guaranteed to tourists and each requires the approval of the village elders, but the good relationship of Kaokohimba Safaris with the community has meant that proposed visits are almost automatically approved. Visits are paid with a varying mixture of sugar, salt, flower, and tobacco but always include fresh drinking water, which is carried in a big tank on board the company vehicle. Visits are planned to respect the daily activities of the Himba. No performances are requested or conducted specifically for tourists and ongoing activities are explained with as little interference as possible. Kaokohimba Safaris always takes plenty of time to discuss issues that the community has and the visit is not concluded until certain elder people have been greeted and matters arising satisfactorily discussed. Tourists are only allowed to take photographs with permission and, if for commercial purposes, on payment to the Marienfluss Development Fund – a community fund, established by Kaokohimba Safaris and administered by the Namibia Nature Foundation.

Kaokohimba Safaris not only conducts its own tours based on the Himba culture, but has also worked with the Himba people to help them establish and run their own enterprises and benefit more from tourism. In 1992, a second campsite at Okarohombo was constructed by Kaokohimba Safaris and 20% of the gross revenues of the campsite was paid to the community. When in 1994, the first payments from the campsite were made it created an awareness within the community that there was money to be earned and the pressure grew on the operator to hand over the campsite to the community. Although at all times, Kaokohimba explained the responsibilities related to the operation of a tourism enterprise, the pressure from the community to own and run the campsite grew. Additional funding was sourced to upgrade the campsite to become a stand-alone facility -construction and transport of materials being carried out by Kaokohimba against a marginal reimbursement – and in 1998 ownership of the camp was transferred to the community. The value at the time of the handover was estimated at N\$ 5,000 and a turnover of around N\$ 30,000 was achieved in 1999. Kaokohimba Safaris is still involved in the camp in that, at the request of the community, it administers the money made by the camp, pays salaries, buys rations and provides loans (if approved) to community members.

In 1999, a large community meeting was held where the community members objected to the payment of all revenues to the headman of the area. The community insisted on a fair and more equal distribution of funds. A committee was to be set up that should administrate the money on behalf of the whole community.

Kaokohimba has also worked with the community to establish a craft enterprise. Since 1995, Kaokohimba has acted as an intermediary between the community and Mud Hut Trading – the private sector arm of the Rössing Foundation (see Case Study 7) In 1998, Kaokohimba Safaris organised a visit by two representatives of the Crafts Development Programme of the Rössing Foundation to undertake training in techniques, design

and resource management with the craft producers. A grading system and subsequent price list was designed for baskets and replanting of palm trees initiated. The success of this initiative was evident in that one of the Okapupa women won first prize in the National Gallery Biennial Competition. A follow up workshop was conducted in 1999 to introduce new designs, adapting to the market demand. Again, this workshop was supported by Kaokohimba Safaris with full logistic sponsorship. All craft products are bought if the quality is acceptable at an agreed price.

Although primarily a tour operator, Kaokohimba Safaris is involved in many non-tourism related activities including resource management, road maintenance and facilitation of development processes of the area including conservancy formation. At the time of writing the Marienfluss conservancy is approved and ready to be gazetted by government.

## Case Study 6

### Trust and Tolerance: The Break Down of an Agreement Between Intu Afrika and the San Community of Corridor 17.

The Intu Afrika Kalahari Game Reserve is a luxury lodge and game farm near Mariental – a few hours drive south of Windhoek. Intu Afrika is owned by the API Group, a multinational company based in South Africa involved in mining as well as tourism and covers an area of 23,000 ha.

In 1995, Intu Afrika, then managed by two anthropologists, developed a project to involve the local San bushman community in its tourism enterprise: “It is here in the Kalahari in a traditional hunting area of the Bushmen where the idea arose for members of the Bushman community to join hands with the management of a game lodge to develop ecotourism for mutual benefit” (Daiber 1996). Promotional literature at the Intu Afrika lodge describes the project as a “role model for the successful implementation of development projects with the bushmen and other indigenous minority people.” The objective of the project is “to empower the community to regain their dignity and pride by creating employment and cultural activities which utilise traditional Bushman skills in order to generate income for their community”. In January 1996 a group of 40 San from Corridor 17 in the Omaheke Region moved to the reserve, to participate in the project, building their own !Kung village (“Twilight”) on site.

Intu Afrika is not unique in employing San as a tourist attraction. There are 36,000 San in Namibia many of who work as labourers for Namibia’s white farmers. As more and more farms have diversified away from cattle and into trophy hunting so, increasingly have they tapped into the opportunity of using San guides as an additional tourist attraction. In the majority of cases this arrangement has occurred on an informal basis with the San accorded no more rights than farm labourers, however, one of the stated objectives of the Intu Afrika project was to develop a legal agreement between the company and the resident San community setting out the various rights and obligations of the two parties in a written, mutual agreement. Literature at Intu Afrika states that the purpose of the agreement should be to “provide security for the community through a shareholding in the company and game reserve held by a trust on behalf of the community”.

The San community contacted WIMSA – the Working Group for Indigenous Minorities in Southern Africa – and asked them to give advice and be involved in the negotiations (Wheat 1998). WIMSA is an advocacy organisation that represents San communities across Southern Africa. It has been promoting the idea of “ a positive system of partnerships, in which farmers accept that they should sign contracts with the Bushman and pay them for their skills and intellectual property”. (Wheat 1998). It took three years from the start of the project to negotiate a mutually acceptable agreement – WIMSA first proposed a contract whereby a certain amount of land was allocated each year to the San so that they could build up their control, but this was rejected by Intu Afrika. After further negotiations, the “Agreement” that was finally signed in August 1998 contains the following provisions:

#### *Company Inputs:*

- Employment: The San Community from Corridor 17 are employed on a rotational basis – 8 to 12 families are engaged in the enterprise at any one time living at Twilight village (on Intu Afrika’s property). At regular intervals one third of the resident community return to Corridor 17 to be replaced by a similar number of families. Employment salaries and conditions are negotiated with individuals, but commence at a rate of at least N\$400/month with 10 posts envisaged in the contract.
- Bed levy: Intu Afrika agree to pay a bed levy of 5% for each tourist that engages in any activity involving the San into a Community Trust account (bed levy to be calculated on the rate charged at Camelthorn camp (not the luxury main lodge) less whatever sum paid to the tour operator).
- Accommodation: Accommodation is provided on Twilight farm for employees plus their families.
- Other benefits: San have right to grow crops and keep limited numbers of livestock in allocated areas at Twilight

#### *Community Inputs:*

- Cultural performances: to be arranged at mutually agreed places and times.
- Community cohesion: the San will provide financial support for traditional authorities, employ teachers for the schools at both Intu Afrika and Corridor 17, and “encourage elderly people to maintain a traditional social structure in their place of residence”.
- Community Trust: The San should establish a Community Trust to manage the funds received from Intu Afrika. This money should be allocated at a rate of one third to the resident community and two thirds to the wider community at Corridor 17 and should cover expenses such as transport, health care, salaries of teachers and community workers, schooling costs, “direct development costs “ (pumps, fences etc)
- Management Committee: to be established including 3 San, one teacher and one Intu Afrika representative with the power of veto. The purpose of the committee is essentially to regulate conduct of the San



The Agreement was signed by both parties in August 1998, and the first (quarterly) bed levy payment was made in April 1999 but unfortunately since then relationships between the lodge and the Corridor 17 community have deteriorated. Correspondence over several months between WIMSA and Intu Afrika shows that according to the Intu Afrika management problems arose due to “unacceptable behaviour” of the San – particularly drunkenness. The lodge claimed that the lack of strong community leadership in regulating the behaviour of the San was a fundamental problem and refused to acknowledge the nominated representatives of the San as legitimate traditional leaders (the lodge management based this on the fact that other members of the community also refused to accept the nominated individuals as leaders (Howard Hebbard pers comm.), since San communities do not traditionally operate in this way). The San in return specified a lack of respect, bad treatment and missing funds as major problems. The San also claimed that commercial filming had taken place at the lodge for which they had not been paid.

No further payments of bed levies have been made since April 1999 and the San claim that this is the reason for the breakdown of the agreement. According to correspondence between the lodge and WIMSA in June 1999 Intu Afrika claim that the bed levies were not paid because the San breached numerous clauses of the contract on account of their behaviour – particularly alcohol abuse – and that in addition the contract was verbally terminated by San representatives at a meeting between the community and the lodge in May 1999.

### **Key Factors Causing Breakdown of Agreement**

The story of the agreement between the San community and Intu Afrika is a long and convoluted one and, not surprisingly, the different parties involved have different stories to tell and different perspectives on the problems that have occurred.

According to the community at Corridor 17 the major issue was the non-payment of the bed levy, coupled with poor treatment and a lack of respect (Sophia Jacob per comm.). WIMSA's view is that the major cause of the breakdown was the change in management at Intu Afrika from two anthropologists with a genuine interest in the well being of the San, to a far more commercially driven enterprise (Axel Thoma pers comm). WIMSA agree that alcohol abuse is a major problem amongst San communities but point out that it is the lodge itself that sells alcohol to the bushmen! The lodge's position is that the original idea was too big and too ambitious and that the lack of a recognised community leadership structure resulted in poor social conduct. The lodge management claims that the initial agreement was intended to be between the lodge and the already resident San community. WIMSA's intervention, involving the wider community at Corridor 17 through the rotational employment scheme, resulted in the initiative becoming too large and too ambitious (Howard Hebbard pers comm.)

### **Current Status of the Partnership**

Intu Afrika's view is that the nature of the partnership between themselves and the San has now changed substantially because of the alcohol problem. Interaction between tourists and the San is kept to minimum as the lodge claims to have received complaints from tour groups. San offering services to the lodge are screened on daily basis and only the most reliable and sober are picked to do bush tracking with tourists (Minutes of meeting between San, WIMSA and Intu Afrika, 6.9.99)

The San community still receives a number of benefits from the arrangement. Those employed by the lodge as bush trackers earn N\$400-450 per month in salaries compared to \$50-200 per month earned by bushmen who work as labourers on commercial farms (Thoma pers comm). Members of the community resident at Twilight also sell crafts from a traditional San village in the game reserve, which the majority of tourists visit. According to the lodge, these craft sales can generate an income of up to US\$ 900 per month in the high season (H. Hebbard pers comm.). Intu Afrika also benefits from the continued involvement of the bushmen who remain a major part of the tourist attraction at the Kalahari game reserve. WIMSA estimate that 90 per cent of tourists to the lodge take part in bush tracking with the bushmen and/or visit the village to buy crafts. Without this attraction Intu Afrika could experience a 50-80 per cent decline in visitors (Thoma pers comm.) No feedback has been obtained from Intu Afrika on these figures but the fact that the bushmen feature prominently in the lodge's promotional literature is indicative of their importance as a tourist attraction.

Intu Afrika is now in the process of developing a new initiative working with the resident San family only (approximately 40 people), but creating a trust fund for the wider community. The Trust will be administered by Intu Afrika although the operating guidelines will be based on an agreement between the lodge and the San community. Funds from craft sales will be paid into the Trust and into bank accounts rather than being given as cash to individuals, and the Trust money will then be used to pay for education, health care and so on. In this way Intu Afrika hopes to control the problems – particularly alcohol-related – arising from sudden, unaccustomed, influxes of large amounts of cash. Intu Afrika is also developing a cultural centre at the lodge entrance in an attempt to raise tourist awareness of the San culture.

In 1999, the Corridor 17 community initiated the development of a community campsite at the Corridor. The location of the campsite – well away from tourist routes – leads to obvious scepticism as to its likely success but the community was optimistic that the benefits from the campsite would equal those realized from working with Intu Afrika and that once it was up and running those bushmen still based at Intu Afrika would return to the Corridor. At the time of writing this has not happened and it remains to be seen if their optimism will be fulfilled.

## Case Study 7

### Crafts: Linking Rural Producers with Markets

#### **The Importance of Crafts in Namibia**

No precise figures exist on the contribution of crafts to the Namibian economy but the Rossing Foundation 's conservative estimate of the value of craft sales in Namibia in 1997 was N\$10 million. This is small in relation to the estimated net receipts from tourism of N\$660 million in 1996 (Jenkins 1997). However, crafts are important for rural livelihoods as they are mostly produced by women in areas where subsistence or low level commercial agriculture predominates and unemployment is high. Financial income from craft production varies considerably depending on products and the region. A typical income for a basket producer is N\$150 per month but in Caprivi some earn as much as N\$700 per month. This compares favourably with the N\$600 per month that cleaning staff can expect to earn at a tourism lodge in the same region (Koepp pers comm). The fact that sales tend to increase just before school terms begin, shows the importance of craft production as a source of cash income for meeting school fees (Le Roux pers comm). In addition a high proportion of crafts produced in rural areas are bartered for food and thus do not show up in official statistics (Lee and Terry nd).

While crafts are generally associated with tourism, their production is not confined to areas of tourist attraction. Areas that are not typical tourist destinations may be characterised by traditional craft skills but producers are often not well linked with markets. A survey carried out recently (Lee and Terry nd) highlighted the lack of coordination in the market for crafts. Producers in rural areas indicated that they had too few customers locally and had difficulties in accessing more distant markets because of lack of knowledge and high transport costs. At the same time retailers in Windhoek revealed that they did not know how to access good quality rural crafts. This emphasises the potential benefits from partnership arrangements that link producers with markets.

#### **Types of Craft Partnerships**

A variety of arrangements exist for the production and sale of crafts in Namibia and not all of them can be considered to be partnerships. Individuals or small groups often sell their products directly to the public by the roadside, in markets or in town centres or sell to an intermediary. But there are numerous arrangements that are more akin to partnerships, involving a link with shops, craft centres, tourist lodges or NGOs as market outlets. The most significant market outlet in terms of turnover is Mud Hut Trading, a trading company that developed out of the Rossing Foundation training programme.

##### *Partnerships with Tourism Lodges*

The presence of tourism lodges in remote areas provides a way of bringing craft producers in such areas into contact with potential customers. Not all tourism lodges though are located in areas where there is traditional craft production. Tourism operations have developed different ways of working with local craft producers, in some cases buying crafts from them, in others facilitating visits by tourists.

- The Lizauli Traditional Village set up with the help of Lianshulu Lodge has a craft stall selling products made by community members.
- Skeleton Coast Fly-in Safaris at their Purros camp offers their clients a visit to a Himba settlement where they can buy crafts

The advantage of such arrangements over sale in a lodge shop is that the lodge mark-up is avoided so that producers can obtain higher prices. The tourists themselves prefer to buy directly from the producers, as they can be sure that it is they who are benefiting and not some intermediary. The lodge benefits indirectly as the opportunity to buy crafts directly from producers or visit a cultural village can be sold as another attraction or diversion for tourists.

Kaokohimba Safaris at Camp Syncro lodge, which has a relatively small number of clients, has adopted a different approach to facilitating market access for local craft producers. It operates as a wholesaler buying Himba crafts locally and selling them on to Mud Hut Trading. This enables greater market exposure for the producers than through sale to the lodge clients. The company has also organised training for the craft producers.

##### *Arrangements with Shops and Craft Centres*

These are too numerous to survey in detail but the Craft Development Plan for the 4 O's region (Lee and Terry nd) provides an indication of the variety that exist and their main characteristics. Small local shops or craft centres buy from producer groups or cooperatives applying mark-ups based more on goodwill or altruistic motives, rather than commercial principles. Some examples of purchasers surveyed in the plan include:

- Church Groups e.g. Elcin Vestments, which had an average mark up of 30% and total sales of N\$26,873 in 1997.
- Private buyers e.g.:
  - The Oshana Environment and Art Association (Oshiko Arts and Crafts Shop) at Ongwediva buys crafts from producers, adds on a percentage and sells them in a small roadside kiosk.
  - Oshikuku Market where the owner provides a sales point within the shop as well as taking crafts to retailers in Windhoek. He has also brought in the Northern Namibian Regional Chamber of Commerce to provide training and to help with setting up recording system for deliveries and sales of crafts. No mark-up has been applied, as the shop owner wants to support the community and help the group establish itself. But the shop owner was due to leave Namibia at the end of the year (1998) and it was not clear what would happen after that.

Cultural officers from the Ministry of Basic Education and Culture also play an important role in linking producer groups with market outlets such as the Northern Namibia Trade Fair and the National Art Gallery in Windhoek but this tends to be fairly irregular.

### **Partnerships with Mud Hut Trading**

The total turnover of Mud Hut Trading was N\$ 0.5mn last year most of which (85%) was sold through the Crafts Centre in Windhoek. But taking into account local sales, turnover of crafts from the groups in the MHT programme was N\$850,000. MHT works with 825 producers, mainly women, in various parts of Namibia including, Kavango, Nyae Nyae and Caprivi. And a further 200-400 women in a new programme in North Central region. Given that the number directly and indirectly employed in the whole tourism sector in 1996 was estimated to be roughly 22,000 (Jenkins 1997), the employment potential of craft production in rural areas is significant.

MHT operates on Fair Trade principles on the basis of a long-term association with producer groups with intensive input at the beginning and periodic visits afterwards. This constant mentoring is considered critical, as other projects have failed because of lack of continuity. For example the Nyae Nyae craft project collapsed a few months after the expatriate volunteer left. Drawing on donor funds, MHT provides training in product development, market development and book-keeping and helps producers draw up grading systems to assess quality. At the same it acts as a marketing outlet adding on a 100% mark-up for retail sales and 25% for wholesale. These mark-ups are based on advice from consultants and are considered the lowest margins possible without compromising the viability of MHT. Products are bought during periodic buying trips by MHT staff and payment systems vary. In some cases MHT pays after the crafts have been produced. In others it will provide some advance payment particularly where there is regular production.

MHT has a strong environmental focus and is a major partner in the CBNRM programme. For this reason it does not emphasise wood-based crafts and has set up an agroforestry palm propagation project.

The nature of MHT's partnerships with its producer groups is undergoing change. In view of management difficulties experienced by the producer groups a new model will be tried out involving appointment of a paid manager for each group. The manager will initially be paid with donor funds, but the intention is for the group to eventually be able to cover this. The second type of change will be to formalise the agreements with producer groups. At present there is nothing to stop other people from buying from MHT's network of producer groups, provided they can match its prices. If this happened, MHT would lose what it has invested in the groups in terms of training and mentoring and might fall below the minimum sales volume that it needs to be viable.

Mud Hut Trading provides a model for how partnerships between craft producers and trading companies could develop on a larger scale and on a more commercial basis. It applies a realistic mark up, emphasises product development and product quality. However, while MHT is striving to operate on a commercial basis, it is still partly subsidised by the Rossing Foundation and relies on donor funds for its training activities. It is expected to be financially self-sustaining eventually but even when it does generate profits, these will go into training. Without the financial shelter provided by the Rossing Foundation it is unlikely that it could have operated as a marketing outlet for several years without fully covering costs. Nevertheless its experience shows how donor assistance can play a catalytic role in the development of private sector community partnerships.

## 6. TOURISM PARTNERSHIPS – KEY INGREDIENTS FOR SUCCESS

### 6.1 Defining Success

Defining success in the context of partnerships is somewhat subjective as it depends on whether a community standpoint or a company one is taken. If a company is primarily interested in short-term profits, a partnership where it takes advantage of the lack of knowledge and negotiating skills of a community may be successful in meeting this objective but is not likely to last and is not successful from the point of view of the community. Similarly, defining success in terms of generation of financial and non-financial benefits on both sides is not always appropriate as the extent of benefits may be less than expected, generating dissatisfaction. It may be that expectations were unrealistic rather than benefits unreasonable but if so this would highlight a shortcoming of the preparation stages of the partnership. Expectations about less tangible benefits such as community involvement in the partnership enterprise also need to be taken into account.

A successful partnership is therefore one which meets expectations on both sides with regard to:

- duration
- extent of financial and non-financial benefits generated by the partnership
- division between the partners of financial and non-financial costs and benefits
- division between the partners of responsibility for running the partnership enterprise

In the sections that follow we consider various factors that can influence the success of a partnership as defined above.

### 6.2 Community Characteristics

Namibia is home to a diverse collection of cultural groups including Owambo; Kavango; Herero; Himba; Damara; Nama; Rehoboth Basters; Coloureds; Caprivians; San; Tswanas and Whites. Within these ethnic groups there is also a high degree of internal cultural and linguistic diversity (Malan 1995) and a variety of livelihood patterns – including hunter-gatherers, pastoralists, farmers and urban dwellers. One might expect a number of these characteristics to influence the success or failure of any partnership the community might enter into, including the community's size; its institutional structure; its experience of tourism; its dependence on tourism; its skills base; and its way of life.

#### 6.2.1 Community Size

One might expect that a partnership developed with a small community would be more manageable and therefore more likely to succeed than one with a large, widespread and more diverse community. In Namibia the size of a community can vary enormously. Amongst the registered conservancies alone the total population ranges from just over 200 (adult population 64) in Uibasen (Aba Huab) to over 7000 (1982 adults) in Salambala and our analysis of partnership experience shows examples of agreements with large communities (e.g. Spitzkoppe) and individual entrepreneurs (e.g. Aba Huab) with no indication that small size is a key ingredient for success. Indeed, one of the suggested reasons for the failure of the partnership between SandyAcre Safaris and Aba Huab Campsite was the lack of involvement of a wider, larger community.

The size of the community does however affect the scale of benefits received by individual members, and hence their perception of the success of the venture and their commitment to its future. Partnerships that are developed with large communities are therefore more likely to succeed if they are based on high value products (e.g. luxury lodges rather than community campsites) that realise meaningful benefits for individuals or if they concentrate on community benefits rather than individual benefits. Discussions with members of both Torra and Khoadi Hoas conservancies demonstrated a preference for placing the revenues earned from tourism and hunting agreements into a community fund rather than distributing it amongst households or individuals as it was thought that the small amount each household might receive would make little impact on their livelihoods compared to the collective benefits of communal projects.

When Lianshulu Lodge divided the funds from its bed night levy amongst the surrounding villages the payment was equivalent to just N\$35 per household. Three of the villages – Sauzuo, Lianshulu and Lizauli divided the money between individual households, while Lubuta and Sachona villages used their share of the funds for community projects. In 1999 interviews were conducted with a number of local people to determine whether the bed night levy had made any difference to their attitudes to the park, the lodge and to wildlife. The response was that while the funds had generated a more positive attitude, there had only been one distribution and more money was needed for the surrounding communities to really feel they were benefiting from tourism. Interestingly, both the villagers and the lodge management agreed that the bed night levy would have been better spent on community income-generating projects rather than being distributed to individual households and that if there were to be a second distribution that would be the preferred option.

Source: Jones 2000.

The size of the community can also affect the time it takes to conduct negotiations and to reach an agreement if all members are to be consulted – although it should also be noted that small communities that are spatially scattered can also result in difficulties and delays in communications.

#### Conclusions/Recommendations

Working with small community groups means that individual benefits from tourism can be more significant and so commitment to the venture is likely to be stronger. If the community is large, an emphasis on community payments rather than individual payments can make financial benefits go further or increase their impacts.

Where per capita cash payments are likely to be small an emphasis on non-financial benefits is also important.

Where communities are particularly large – socially or spatially – it is important to allow extra time for negotiations. Facilitating communications – for example by providing transport to meetings – or working with a smaller, representative group can help speed up the process.

### 6.2.2 Institutional Structure

Partnerships appear to be most successful when communities have a strong institutional structure. The reasons for this appear to be two-fold. Firstly, if there is a designated body with responsibility for natural resource and tourism management the private operator knows immediately who to negotiate with. This benefits both the community and the private operator – for the private operator it clarifies any potential confusion about who to approach in the community in order to initiate an agreement and provides reassurance that the community members involved in the negotiation process do have the appropriate authority to negotiate. For the community it ensures that approaches from the private sector are channelled through a recognised structure and that individuals are not taking advantage of the deal being offered by the private operator for personal gain. Lianshulu Lodge, for example, conducts its negotiations with the surrounding communities through the local traditional authority who decides how benefits from the lodge are distributed.

One of the factors behind the breakdown of the partnership between Intu Afrika and the !Xo community was that the lodge management refused to acknowledge the two !Xo spokespeople as traditional leaders and therefore refused to negotiate with them when disputes arose over the partnership.

Dealing with a community institution does not necessarily ensure that the whole community is involved in, or benefits from, the partnership. Striking a quick deal with a village headman or traditional leader can be a quick and easy way of initiating a tourism venture but ensuring the support of the wider community is likely to be essential to the longer term sustainability of the enterprise.

A community which wishes to form a conservancy has to meet a number of preconditions including the election of a representative committee and development of a plan for the equitable distribution of benefits. Once all the preconditions have been fulfilled a conservancy is then granted ownership and use rights over the wildlife on its land and concessionary rights over commercial tourism. Working through conservancies is therefore a good way to ensure not only that the appropriate authority for entering into an agreement with a private operator exists but also that the agreement will have the backing and acceptance of the wider community and that they will benefit from the arrangement.

In an absence of any designated wildlife or tourism structures alternative community institutions may take on the role of negotiating tourism agreements. In Warmbad for example the Omkhaisen Youth Association has taken on responsibility for the utilisation of the town's natural and cultural resources, particularly the hotsprings.

In areas where a conservancy has not been formed Wildlife Councils with whom the private operator can negotiate are due to be established. Wildlife Councils will in theory have the same rights over wildlife and tourism as a conservancy, however to date, none have been established.

#### Conclusions/Recommendations

Working with communities with a strong institutional structure that is representative of its members provides a point of focus for negotiations and a recognised procedure to be followed.

### 6.2.3 Type and Value of Tourism Assets

Namibia is home to both natural and cultural tourism resources. Natural tourism resources can be either static – i.e. landscapes, rivers, mountains, etc as well as specific features such as rock art – or dynamic – i.e. wildlife. Cultural resources include the people of Namibia themselves (e.g. the Himba and San ethnic groups) and their way of life, buildings, arts & crafts, traditional skills, knowledge, dances and rituals, etc.

Even when a local community is not itself the focus of tourism it very often owns, or has rights to the tourism resource. Much of the big game that is so attractive to tourists for example occurs on communal land and in areas where conservancies have been formed rights over wildlife and tourism in these areas has been devolved to the communities.

Ownership of tourism resources is therefore a very strong bargaining chip held by local communities and these are the assets that they bring to the partnership. However the value of these assets varies according to the characteristics of the resource. The uniqueness and location of the resource has a particular influence on its potential value. Resources located on, or near, tourism routes are of higher value as they can attract visitors more easily. Resources bordering a national park are ideally placed to attract tourists and in many cases can be utilised in combination with the park. Some of Namibia's tourism resources are unique and visitors come especially to see them. For example, Namibia only has one Spitzkoppe and Brandberg Mountain, limited perennial river frontage, rare species such as black rhino and desert-adapted elephant. Because of the rarity and attractiveness of these resources, their value as community assets is therefore increased.

At the Intu Afrika Lodge in the Kalahari, the bushmen remain a major attraction accounting for 50-80% of the visitors and featuring heavily on the promotional literature of the game reserve. (A. Thoma pers com)

**Conclusions/Recommendations**  
The value of tourism assets varies according to the characteristics of the resource, in particular uniqueness and location. Communities need to understand the value of their tourism assets in order to negotiate effectively. Assistance from tourism specialists may be necessary for this to assess characteristics such as uniqueness.

#### 6.2.4 Experience and Understanding of Tourism

Different communities have different experiences of tourism. Some have had direct involvement in the industry in the past and therefore have realistic expectations about the costs and benefits it can bring. Others have had no direct involvement in the industry and may have unrealistic expectations. This can be a major stumbling block to the continuing success of a partnership. Trans Namibia Tours cited the unrealistic expectations of the community involved in the Ugab River Camp amongst the reasons for the breakdown of the partnership – community members demanding half the company's fees per tourist, pointing to the room rates that were charged in top hotels and lodges. At Lianshulu Lodge, unrest in Caprivi caused a huge decline in tourist bookings, As a result a number of staff at the Lodge had to be laid off and the bed night levy was put on hold. This caused tension between the Lodge and neighbouring communities who didn't appreciate the relationship between the level of benefits generated by tourism and the number of tourists visiting.

"I will never try this type of partnership again. We would have to go through a long, hard and costly learning curve to achieve this and our shareholders would not back us up in the present competitive tourism environments" (Trans Namibia Tours pers comm).

However a lack of community experience of tourism need not necessarily preclude the community from involvement in a partnership as such experience can be brought in from outside facilitators – although similarly it is important that these facilitators also have tourism experience rather than simply being experienced in working with communities.

**Conclusions/Recommendations**  
Where communities have no previous experience of tourism, outside facilitators can ensure that false expectations are not raised and that business plans are realistic.

#### 6.2.5 Dependence on Tourism

Communities that have few livelihood options risk becoming too heavily dependent on tourism – not a healthy state of affairs, especially in an industry that is characterised by risk and uncertainty. Conversely however, if tourism is of little significance to the livelihoods of the community then their level of commitment to a partnership is likely to be low. Successful involvement in a tourism venture requires the community to be able to take on, and absorb, some of the risk associated with the industry but at the same time to have sufficient incentive to put effort and energy into the venture.

**Conclusions/Recommendations**  
Communities who are motivated by, but not overly dependent on, tourism are more likely to put the necessary effort and energy into making the venture a success but are able to absorb the risk of failure.

### 6.2.6 Skills Base

The skills base amongst the different cultural groups in Namibia is highly varied. Some are well educated and very articulate others are illiterate and speak only local languages. This can make negotiating with private sector representatives extremely difficult. Few Himba, for example, speak Afrikaans or English and even fewer businessmen speak the Himba dialect!

The language barrier can be overcome to a certain extent by bringing in outside facilitation (La Rochelle brought in a San speaker to assist in negotiations with the Nyae Nyae conservancy for example). However, tourism by its very nature involves face-to-face interactions with people of different cultures and with different languages. Since the majority of tourists to Namibia are South African or European, an ability to speak at least one modern language is obviously going to be a major advantage.

Namibian communities bring other skills to tourism, particularly in the production of arts and crafts such as basket making and woodcarving. Again though, the skills base is very mixed, particularly where traditional skills have been eroded over time and producers lack knowledge of market requirements. Building training, both in languages and craft production for a tourist market, is therefore an important component of partnership contracts.

#### Conclusions/Recommendations

A high level of skills is not essential but where they are lacking, training is a crucial component of a partnership contract.

### 6.2.7 Lifestyle

As we have already discussed, the cultural groups in Namibia are many and varied. Some have lifestyles that are more conducive to involvement in tourism than others. For example, the Himba are semi-nomadic and not always there when tourists come to visit them or to see their villages. In other cases, tourism may clash with other livelihood activities – for example if the peak tourism season coincides with agricultural activities.

Considerable care needs to be taken when developing a tourism product based on a partnership, that it is compatible with the livelihoods of the community involved. This involves consideration of such issues as whether the tourism area will mean loss of access to important water sources or grazing areas and/or damage to crops; whether those involved in the tourism venture are required to make labour inputs elsewhere, etc. Tourism products can be developed that complement rather than conflict with other livelihood activities but careful planning and assessment is required.

One of the reasons the Torra Conservancy rejected a potentially lucrative tourism partnership lodge in 1996 was that the proposed exclusive tourism concession area included a spring – important in times of drought – to which access would have been lost. (Ashley 1998)

#### Conclusions/Recommendations

Communities often have a diverse range of livelihood activities. For a partnership to succeed it must complement, not conflict with other activities.

## 6.3 Private Sector Characteristics

The success of a partnership depends on both partners. The characteristics of private sector partners, whether companies or individuals, which appear to influence the success of partnerships include:

- Degree of meaningful involvement;
- previous tourism experience;
- track record in working with communities;
- market segments targeted (i.e. whether or not they are niche operators);
- size (capacity and number of clients).

### 6.3.1 Involvement/Commitment of the Company

The overall degree of involvement on the part of the company appears to be particularly critical for the establishment of a successful partnership – this includes the physical presence of the company office or a representative, the availability of the company for face to face meetings and the personal commitment of a senior member of staff to working with communities.

Numerous communities and community representatives indicated that it was important to them to be able to see the ‘face behind the company’. If the managing director or proprietor resides in Namibia and can be visited personally to discuss issues, the level of trust in the partnership is

One of the concerns about the Lerato proposal was that it involved a “faceless foreign company” with no local office and representative.



substantially increased. Negotiating a partnership can be a long process with high transaction costs. To the community, face-to-face meetings are a highly valued part of the process and the company staff involved might be expected to travel frequently and at short notice to meet with the community. The personal commitment of the company's staff – is therefore important to make sure a successful outcome is achieved. Similarly, the physical, on-site presence of a company representative would appear to be of benefit. This is not just the case during the negotiation stage but is also an advantageous when the venture is up and running in order to quickly resolve misunderstandings and address problems.

The example of Namibia's most well known partnership, the Damaraland Camp, has demonstrated that personal commitment of a senior member of the company is essential. One of the operating principles of Wilderness Safaris is to involve local communities wherever possible. In the case of Damaraland Camp, a member of staff of Wilderness Safaris Namibia was personally involved throughout the two-year negotiation process and as a result earned a high level of trust from the community.

The area of operation can also have an influence on the degree of commitment of a company. Some companies conduct their business in a distinct geographical area and are seen as regional specialists e.g. Skeleton Coast Fly-in Safaris, Kaokohimba Safaris etc. These operators tend to demonstrate particular interest and commitment to development and conservation issues since their business stands or falls with the product in the area. Thus Kaokohimba Safaris has initiated various activities in support of the Himba community such as training in craft production, formation of the Marienfluss conservancy and fundraising for upgrading of the community campsite. National companies that operate across the country tend to lack this type of local commitment since they are often able to switch from destination to destination. The same goes for international firms, who can pull out of the country completely – for example, operators conducting business in Namibia, Botswana, Zimbabwe and Zambia, are able to be creative in their tour itineraries and replace complete countries

Wilderness Safaris is an international company that operates across Southern Africa. Unusually for such a company it has a stated commitment to working with communities.

**Conclusions/Recommendations**  
 Companies with a commitment to a particular area are more likely to be committed to a partnership with communities in that area. Communities entering into a partnership with companies operating at a national or international level need to scrutinise the long-term objectives of these potential partners.

### 6.3.2 Previous Tourism Experience

The tourism industry in Namibia cannot be considered highly professional as very few individuals in the sector have received formal training in tourism related subjects. Establishing a tourism company was easy in the sellers market that characterised the industry in the early years after independence. Many tourism companies were developed by entrepreneurs going into the industry for the first time. While some have been commercially successful, others have been short-lived. This does not mean that communities should never form partnerships with newer, less experienced companies, but they need to be aware that there is a higher risk of failure if they do. This is because of the risk of commercial failure of the company itself. However, communities can reduce the risk to themselves through a number of measures including:

- More secure returns: e.g. fixed monthly payments rather than a percentage of turnover or profit;
- Shorter contract period;
- Escape clauses in the contract based, for example, on non-performance (or poor performance) of the operator.
- Arrangements for asset transfer – if the partnership does not work out as a result of the (non) performance of the operator, part or all of the assets will be transferred to the community.

One of the community concerns about the Lerato proposal was the fact that the company had no proven tourism experience, yet payments to the community were linked to the business success of the company.

**Conclusions/Recommendations**  
 There is a higher risk of failure if the business enterprise and hence the partnership, if the company does not have any previous tourism experience. If a community goes into a partnership with a company of this type it should consider ways of reducing the risk to itself in the negotiation of the deal.

### 6.3.3 Track Record in Working with Communities

Clearly, experience of working with community groups is an advantage to an operator wishing to negotiate a partnership. Communities have different values and different ways of working and negotiating a deal will not be the same as negotiating with another company for example. In particular, the time it takes to negotiate with a community can be a shock for some companies – a far cry from the quick deals of the commercial world. However, those without a track record are not necessarily precluded from working with communities.

Expertise is however widely available in the country and as such, can be brought in by the operator if and when needed. Various support NGOs (for example RISE, NACOBTA, IRDNC amongst others) have acted as facilitators in a number of existing partnerships and have considerable experience to bring to the table to help ensure a successful deal.

At Khowarib Rest Camp, two successive attempts to create a partnership failed because the private sector partners – first a tour operator and then a developer – wanted to agree the contract with the camp manager only and not the wider community since it was seen that community involvement would complicate business.

If an operator is already in partnership with a community, this can provide a head start in initiating a new venture. In Namibia, all the operators who are involved in successful partnerships have been approached by their community partner to expand the enterprise or to initiate additional ventures.

**Conclusion/Recommendation**

A company that has had successful partnerships with other communities is likely to be a good prospect for additional/future partnerships. If a company has no track record of working with communities, it is important for it to be willing to take advice from or use facilitation services of community development organizations and to accept a slow process.

**6.3.4 Type of Tourists Targeted**

The success of a partnership is obviously dependent on the commercial success of the business venture on which it is based. This in turn depends on it being attractive to clients. The types of tourists that are likely to be interested in tourism products that involve local communities – such as community campsites, traditional villages, cultural tours etc – are those on special interest and study tours and self drive tourists.

**Conclusions/Recommendations**

Communities should take time to find out about the type of clientele their potential partner attracts. Those who have an established track record amongst special interest tourists are more likely to be able to make a product based on a partnership with the community work. Those whose traditional clientele is more generalist may have a hard time selling the product and the partnership will therefore have less chance of success.

**6.3.5 Mode of Operation**

For those partnerships that are based on links between a community-based enterprise such as a community campsite and a tour operator, the type of tour offered will have implications for the success or failure of the partnership. Tours are run on three different levels of operation:

- 1) Scheduled tours have a prearranged itinerary and are offered on a regular basis – at least once a month. Generally, bookings are made a year in advance for the various facilities used in these tours and they are sold (abroad) on a 'sell & report' basis.
- 2) Series are similar to scheduled tours but are less frequent – generally less than one a month. These tours are also often initiated by an operator in a tourism generating country and the actual itinerary is often determined by them.
- 3) Charter tours are organised especially for a specific date, operator or theme and tend to be one-off events but with high numbers of participants.

The great advantage of scheduled tours with regards to a partnership is the insight they provide into the potential level of business. The community knows the maximum number of tours and the dates are known a year in advance, which enables communities to plan activities and products. It is also a good measurement of the performance of the operator – if a total of 3 camp sites are booked for every second week (i.e. about 75 annually) but only 1 every fourth week is actually occupied (giving an occupancy rate of 18%), there is a strong case for the community to argue for different benefits such as a guaranteed price for 50% occupancy or similar. Operators offering charter tours can make suitable partners for enterprises such as traditional villages or craft centres which generate a small amount of money per visitor and so are reliant on a high though put of tourists, but can be unsuitable partners for enterprises such as community campsites which are often too small to accommodate large numbers of visitors at any one time.

**Conclusion/Recommendation**

Communities need to be aware of the different types of tours different operators might offer. Those that offer scheduled tours are likely to be the safest bet for a successful, long term partnership. Communities should also be aware that going into partnership with one operator might preclude other operators from using their facilities, so although a partnership may provide long-term stability it may also result in sacrificing potentially higher levels of business.

## 6.4 Type of Product or Service

The four types of product or service involved in partnerships, accommodation, hunting, handicrafts and support services are usually not mutually exclusive either for the community or for the private sector partner. One community may enter into several partnerships involving a number of these products or services and more than one company (although see the note on competition in section 6.3.5 above) as in the case of the Torra Conservancy (Case Study 1) Similarly, companies involved in hunting have been known to extend their activities to encompass non-consumptive tourism. For example, Wésé Safaris which has a hunting contract with the Salambala conservancy is now negotiating with the community on construction of a permanent tented lodge for photographic safaris. In addition, a company involved in non-consumptive tourism may well extend its agreement to cover not just accommodation but purchase of crafts and other products and services from the community. This has been the case for Kaokohimba Safaris, which is buying crafts from the community for onward sale to Mud Hut trading (Case Study 7).

### 6.4.1 Hunting or Tourism or Both?

Hunting partnerships are generally considered easier for a community to deal with than tourism as contracts tend to be short (one or two years) and relatively easily negotiated in that the product i.e. hunting rights is easily defined in terms of numbers of animals of different species that can be hunted in a specific period. This facilitates valuation by comparison with rates elsewhere. Sale of hunting rights is also more suitable for a tendering process, which can potentially increase returns to communities. Hunting also involves relatively less disruption to the community than tourism as the number of clients coming into the area is limited (nine trips per year in Torra Conservancy) and only basic accommodation is required.

The disadvantage of hunting compared with tourism is that it involves relatively little local employment currently although it is possible that this could change in future as communities such as Torra Conservancy strive to incorporate more provisions on training in negotiations. There are also concerns about conflict with non-consumptive tourism although this does not appear to be the case in practice in Torra Conservancy, which is currently engaged in both types of activity.

Costs of running a conservancy can be considerable (NS137,000 in Torra Conservancy) so that a combination of tourism and hunting may be needed to generate sufficient revenues to make wildlife management worthwhile. Given the need to differentiate tourism products it may be easier for a community to generate revenue through combining tourism and hunting than through allowing development of more than one tourism venture in its territory. It also has the advantage of diversifying risk, as the hunting market and the tourism market are likely to be driven by different factors. If the tourism market collapses one year, it is unlikely that the hunting market will also and vice versa.

#### Conclusions/Recommendations

Communities should consider the option of combining tourism and hunting in order to diversify sources of income.

### 6.4.2 Crafts

Whether a private sector company – be it a tourism lodge or other marketing company – will enter into an agreement locally on marketing of crafts depends on local skills and ability to produce good quality crafts that will be attractive to tourists. Craft making skills vary considerably between ethnic communities in Namibia and thus craft agreements may not be appropriate in all areas. Where an agreement entails the sale of crafts through a lodge shop this does not always work to the advantage of the producers. While it is reasonable for the lodges to apply a mark up to cover handling and marketing costs, there is concern that these might be excessive in relation to the prices paid to producers. At the same time tourists often prefer to buy directly from the people who make the crafts as they can be reassured that the proceeds are going to them rather than the intermediary (Case study 7). Thus it makes more sense for a lodge to foster craft production by promoting a cultural village or marketing visits to community-run craft centres where tourists buy directly from the producers. This provides another activity for tourists besides game viewing and may motivate them to stay longer at the lodge. Both sides can gain from this approach.

Conversely, communities with particular craft skills may not be located in an area with developed tourism facilities but they can benefit from partnerships with other types of company to market their products. Thus Mud Hut Trading provides an outlet for a number of craft groups in different parts of the country.

#### Conclusions/Recommendations

Production and sale of crafts can be a useful additional source of income for communities going into partnerships with tourism companies. Both sides can gain from approaches such as cultural villages or visits to craft producers, which promote an activity as well as the purchase of crafts. Craft producers, outside of tourism areas, can benefit from linking up with marketing companies that can deliver their products to tourist areas or metropolitan markets.

### 6.4.3 Outsourcing and support services

There is little experience of partnerships based on the outsourcing of services to communities to draw from in the Namibian tourism industry apart from the laundry services written into the Damaraland camp agreement and the sales of thatching grass to Pro-Thatch – a company which provides thatch for tourist lodges. Such arrangements can be empowering for the community – providing a business opportunity and hence an additional source of income – but do bring risks for both sides. The company needs reliable good quality supply on the one hand, which may prove incompatible with small-scale community production. The community needs a secure market but may find itself at a disadvantage if it is dependent on the one company for its sales outlet. It may make most sense when there is scope for the community to supply to a number of other lodges or a local market with less stringent quality requirements.

The owners of Lianshulu Lodge indicated an interest in outsourcing vegetable production to neighbouring communities but commented that the costs involved in terms of training and capacity building for such an enterprise were beyond the scope of a small company (P.Koepp pers comm.)

#### Conclusions/Recommendations

Efforts should be made to identify support services that the community can provide but it is necessary to start cautiously with a small activity and only move into other areas if this pilot scheme is successful. An agreement needs to be drawn up which sets out conditions under which the company will buy the produce or services e.g. when it is of a certain quality but these need to be realistic and allow some time for learning.

## 6.5 Formal Ownership of the Partnership Enterprise

Tourism enterprises based on partnerships can have different ownership structures – wholly owned by the private sector, wholly owned by the community or jointly owned. Many partnerships are based on existing enterprises in which case the ownership is already determined while for new enterprises the ownership structure is something that needs to be discussed in the negotiation process. There are advantages and disadvantages to each model and no one ownership structure is necessarily better than any other – much depends on the nature of the enterprise and the priorities and capacities of both sides. Formal ownership may also not be the issue for some communities but rather aspects such as management and control, which are closely linked with it.

### 6.5.1 Privately Owned

The advantage of private ownership from the community viewpoint is that there is less risk as it gets paid for its land and hunting or tourism rights without major dependence in the short-term on the success of the enterprise and without the need to raise any financial capital. Moreover, the arrangement allows the company to concentrate on activities in which it has a comparative advantage, i.e. raising finance and managing the enterprise (Jansen 1989). The disadvantage however is that there is less scope for involvement of the community and fewer opportunities for community members to develop experience in the sector particularly at management level. For communities that are primarily interested in generating a financial return from their tourism or wildlife assets such an arrangement has advantages. If there is desire for more involvement this could be addressed in other ways e.g. training of community members for management.

### 6.5.2 Jointly Owned

The advantage of joint ownership arrangements is that they can increase the sense of ownership and stake of the community in the venture. This also represents a potential advantage for the private company, as it should reinforce the commitment of community members to manage wildlife and avoid grazing and fulfil other responsibilities necessary for the maintenance of the tourism product. However, for a jointly owned enterprise this would require the community to contribute to the initial investment. This could either be from their inputs of land and access to wildlife or cultural assets so that instead of annual payments they would receive shares, or they could borrow the money needed to cover their share of the initial investment. It is generally difficult if not impossible for communities to borrow from commercial banks, so unless donor funds were available, the only option would be to borrow from the company itself. Both options (unless donor grants are given) greatly increase the risks for the community. Instead of receiving an upfront payment and annual payment they will be eligible instead for a share of the profits. Yet it can take several years before a tourism operation becomes commercially successful and so communities might not receive anything in the first few years. Alternatively, they may be eligible for annual payments but find that they are not always sufficient to cover loan repayments.

The concept of shareholding may be difficult for some communities to comprehend. In an aborted joint venture with Lerato, communities were offered shares but had difficulties in understanding the concept and how it would actually benefit them.

If the community opts to contribute land and rights to hunting or tourism in return for shares in the enterprise, there is the difficulty of putting a monetary value on this and on the corresponding inputs of the company, physical assets and goodwill i.e. management and marketing expertise and contacts (Jansen 1989).

A system of tendering (see 5.6.2.2 below) may help as it enables comparison of valuations given by different companies.

The other disadvantage of joint ownership is that it will be more difficult for the community to establish whether it is receiving the correct amount of dividends each year. This will require the ability to understand company accounts and to reach agreement over transfer pricing issues i.e. how much a company can pay other companies within its group for centralised services such as marketing or procurement.

From the company perspective joint ownership may be a disadvantage if the community insists on control and hinders operations. However, much depends on whether part ownership of the enterprise translates into involvement in the running of the enterprise. There are no existing partnerships in Namibia which involve joint ownership but in two ventures Lerato and Warmbad where this was contemplated, there was scepticism on the part of the communities as to the likely extent of their involvement in the management of the company. It could be argued that it is more advisable for communities not to get involved in management at least initially, given that this is where the private sector has a comparative advantage. However, even in the case of Torra Conservancy and Damaraland Camp which can be considered as one of the partnerships most favourable to the community there is a desire on the part of community members for more involvement in management.

### 6.5.3 Community owned

Community owned ventures that have a partnership with the private company have the potential to involve community members more and so, theoretically, to generate more commitment. However, the experience to date in Namibia is rather mixed. In two cases, Abu Huab campsite and Ugab campsite, the partnerships have failed. The fact that neither of the two communities concerned were established as conservancies may have played a role in the failure – the companies involved made an agreement with an individual community member who held the PTO for the campsite rather than with a representative community authority and as a result there was little community involvement or commitment. In two other cases, Lianshulu Cultural Village and Okarohombo campsite, the arrangement appears to be working better.

The NW Region Tourism Master Plan estimates that a community campsite with 12 sites each accommodating 6 people would employ around 3 people with total salaries of N\$55,000 and generate about N\$10,000 of profit for the community concerned. In contrast, a mid-market lodge with 20 rooms accommodating up to 40 guests, average 47% occupancy and sourcing 90% of its employees from the community could generate N\$380,000 in salaries. Assuming that the community has a 25% equity stake and receives 10% of turnover as payment for land, this would generate a further N\$260,000. Thus a mid-market lodge could generate 10 times as much revenue for the community than a campsite. The Damaraland camp provides a real life comparison. With a capacity of only 8 rooms and 16 guests and with lower occupancy rates than assumed in the above case, it generated around N\$400,000 for the Torra Conservancy in 1998/99.

The main disadvantage is that a community owned enterprise will usually be small, reflecting the limited amount of investment possible. As a result revenues and employment are generally tiny in community run tourism enterprises in relation to that from a larger privately led venture. Thus there can be a trade-off between the empowerment benefits of community ownership and financial benefits from agreeing to a privately led partnership. For community enterprises that offer accommodation – usually community campsites – the small size of the enterprise also limits the type of operator who can use the facilities (see section 5.3.5).

#### Conclusions/Recommendations

The community needs to be clear on what it wants in relation to management involvement, income and how much risk it is prepared to take. The best approach is to build in some flexibility to allow change. If the community does opt for partial or full ownership at some stage some explicit provision for training is needed e.g. in management so that ownership can translate into involvement in running the enterprise.

## 6.6 The Negotiation Process

### 6.6.1 Community Preparation

Before it approaches a partnership, the community needs to establish what its priorities are and what other land use or development options it has. This requires both information gathering and consensus building among community members. The latter is more easily undertaken when there is an established representative institution that is recognised by community members. The formation of a conservancy is therefore a significant advantage in this.

Understanding the other options available implies the need for a land use planning exercise to build on the zoning required for conservancy formation. In doing this the community may need some assistance in evaluating land use options, in particular to estimate the returns to different types of activity, including

traditional activities such as livestock. This will provide a useful reference point for subsequent negotiations. The community will need specialist help in assessing the potential returns from and impacts of different types of tourism development given that it will have little or no experience in this sector.

**Conclusion/Recommendation**

Community preparation in establishing priorities and analysing the full range of land use options is essential. Expert advice may be necessary for analysing potential returns from tourism, given that this is a new type of activity for most communities.

### 6.6.2 Initiation of the Process and Selection of Partners

There are three main processes for selecting partners. At present, most partnerships have been established on the basis of direct negotiation usually initiated by the private partner. Communities can similarly initiate direct approaches but the presumption is that inviting bids from several companies through tendering or auctioning rather than negotiation with a single company brings a higher return for the community as it enables comparison of bids and encourages companies to compete against each other. Thus conservancies are being encouraged by NGOs to adopt a tendering process for their hunting concessions. There are however advantages and disadvantages to each approach.

#### *Auctions*

Auctioning, where participants make their bids in public, at present only takes place for hunting rights in government-controlled areas. The advantage of auctioning over sealed bid tendering is that it is more transparent, thus reducing scope for kickbacks and violation of rules. Its drawback is that it lends itself more to situations where private company inputs are purely financial and it is difficult to incorporate other benefits. It is primarily for this reason that conservancies with hunting rights have opted for tendering rather than auctioning. There are other disadvantages: hunting companies may collude to keep prices down in the bidding. Establishing a reserve price below which no transaction will be made has been suggested as one way of addressing collusion (McAfee and McMillan 1987). However, this has the effect of reducing the information advantages of an auction. There is also the possibility that the highest bidding company has a dubious track record or is unacceptable to the community because of previous dealings with them. This can be resolved through a screening process or prequalification stage so that only companies meeting specified criteria are deemed eligible to take part in the auction.

#### *Tendering*

For tendering to work, there has to be a sufficiently large number of companies willing to submit bids and compete against each other. The complexities and costs involved in submitting a tender may put companies off. This is particularly the case if it is obvious that one company has an advantage over others because of prior experience of working in the area or access to start-up finance. Companies may also tacitly divide up areas between them and so refrain from bidding in areas considered to correspond to others. This does not seem to be the case for the hunting tenders so far in Namibia judging by the number of responses received and the fact that prices secured for trophy fees have generally been higher than before. However, prices offered for hunting concessions in the recent Government auction have exceeded those obtained by conservancies in their tendering process. There may be good reasons for this, for example the areas concerned may be more accessible, but it may also indicate that conservancies would do better with an auction process. The system used in Namibia for hunting contracts is tendering followed by negotiation. The advantage is that the community can try to negotiate a better financial deal with a bidding company that for non-financial reasons it prefers over other others. This was used in the negotiation of the Nyae Nyae hunting concession. Or alternatively, in the case of a company that has made a high financial bid, negotiation can centre on the non-financial elements. The disadvantage of this approach is that transparency is reduced and confidence in the strictness of following procedures may be undermined. A tendering system will only work as long as all parties involved believe that it is worth following the rules.

Some communities even though they have followed a tender process for hunting contracts have selected the company they were working with before because they felt they could trust them as was the case with Nyae Nyae and La Rochelle. Nevertheless the tender process enabled them to secure better terms and conditions from the company as they were able to compare with bids from other companies.

Inviting several companies to bid may not be appropriate in some cases. In particular, in the case of tourism lodges which require long-term investment and are more complex and locally-specific, it has been argued that a spirit of cooperation and local knowledge are more important than contractual details (Ashley and Jones 1999) However, if a community has gone through the process of prioritisation and analysis of options described above the situation is different. It may be advantageous for a community to approach a few companies with details of its tourism assets and the type of tourism development it has in mind and invite them to submit proposals, rather than waiting for the first approach.

### Direct Negotiation

For voluntary/good neighbours agreements with existing lodges on neighbouring state or private land, tendering will not be appropriate. The best that a community can hope for is to conduct good negotiations. Community preparation will be important – to analyse the interdependence between it and the enterprise and to consider ways in which it can and is prepared to help the tourism lodge in protecting wildlife and associated habitat. With such preparation, the community can go into a good neighbours agreement more proactively.

#### Conclusions/Recommendations

Wherever possible communities should invite proposals from more than one company in order to encourage competition and increase their access to information – although this does not mean choosing on the basis of the best financial offer. Where the services being marketed can be expressed simply, auctions with reserve prices and a pre-qualification process can have advantages of transparency and reduced costs of preparation on both sides. Where there is no alternative to direct negotiation, community preparation is essential. Both sides can gain if the community goes into an agreement on a proactive basis.

### 6.6.3 Formalising the Partnership

While some agreements based on verbal rather than written agreements have worked well e.g. Kaoka Himba, there have been cases where misunderstandings have arisen – e.g. Aba Huab and SandyAcre. It therefore seems preferable to opt for formal written contracts. This ensures that rights and responsibilities on both sides are clearly defined and that there are no misunderstandings. It also empowers communities as the requirement to sign a written contract implies a prior process of community discussion and institution-building. This applies also to arrangements initiated on a voluntary basis by private lodges to foster goodwill. . By making clear the conditions under which voluntary bednight levies will be given i.e. what is expected from communities in return and making a contractual commitment to this (subject to usual provisos of disruption of business through war and other factors outside the company's control), the companies concerned can move away from passive handouts and avoid raising expectations.

Despite being requested (and therefore trusted) by the Himba community to administer the finances of the Okarohombo, Kaokohimba Safaris insisted that this arrangement should be formalized through a written contract to prevent any later misunderstandings.

The community also needs to be confident that the company will honour its commitments under the agreement. Even with the best of legal agreements, if the company appears to be deviating from it, the community is in a weak position to contest this, unless a third party is willing to step in and take on legal costs of court action. The case of Intu Afrika shows how a relationship can break down even where an agreement has been drawn up with third party assistance (see Case Study 6). From the community viewpoint, a company's commitment to its word is best demonstrated through direct experience, although factors such as national or international reputation can be important.

#### Conclusions/Recommendations

All partnerships should be based on a written agreement with clearly defined rights and responsibilities on both sides.

### 6.6.4 The Role of Facilitation

The assistance given to communities by NGOs and by government in the negotiation of existing partnerships has been important. Facilitation has been key at all stages: before the process in the formation of conservancies, in the community discussions of priorities, in the negotiation of partnerships, in analysis of lessons learned from partnerships that have not worked to the community's satisfaction (see Case Study 3 on #Khoadi//Hoas), and finally in discussion of distribution of benefits. In particular, the negotiation of the Damaraland Camp agreement involved intensive assistance from IRDNC and others. This raises the issue of whether such levels of assistance can be maintained in the future, particularly as more conservancies are formed. For example, in six years time when the Damaraland Camp agreement is due for renegotiation and more importantly when the tricky issue of the transfer and valuation of assets to the conservancy will be discussed, will the same level of resources be available for facilitation?

The hunting company La Rochelle brought in a San-speaking woman to assist in their negotiations with the Nyae Nyae conservancy. This was very well received by the company and was seen as a major factor in their successful bid for the hunting concession.

To some extent the first round of agreements negotiated can serve as learning exercises and models that future agreements can draw from. It can be expected that subsequent agreements will require less facilitation as communities and other players involved can learn from the experience of the first round of agreements. These conditions will provide reference points for subsequent agreements e.g. on the rate

for bednight levies and annual rentals. More experienced conservancies can also start to play the role of advice-giver or facilitator for newly formed ones. However it is likely though that newly forming conservancies will continue to need extensive assistance for developing their land use plans and analysing productive options.

For some types of partnership an alternative to reliance on the continued availability of externally funded assistance for tendering and negotiation is privatisation of this important function. Conservancies could contract the services of an agent who would conduct the tendering process and negotiate in return for a percentage of the fees as in many real estate transactions. If these agents specialise in such agreements they will be aware of what the market will bear. This would be most appropriate for agreements where company inputs are primarily financial. If a significant part of the benefits are in kind in the form of training, or employment, the agent will have less interest in negotiating these, as they will not derive any benefit.

It is unlikely that conservancies in Namibia will provide a big enough market for such agents to be solely dedicated to marketing hunting and tourism rights. It would therefore have to develop as a complement to more conventional real estate activities. But is marketing of hunting and tourism rights sufficiently similar to real estate activities? It should also be noted that this would eliminate the need for outside facilitation only for a part of the whole process. It will still be necessary for the conservancy members to discuss their priorities and options and facilitation will have an important role in this.

#### Conclusions/Recommendations

Facilitation is likely to remain necessary. Communities should look for help to organisations like LIFE etc or to more experienced conservancies. The option of an agent to act on behalf of conservancies needs further consideration.

## 6.7 Key Components of the Agreement

### 6.7.1 Financial Components

#### *Payment Structure*

For partnerships that involve some kind of payment from the private sector to the community it is important to determine the appropriate balance between a fixed payment and one that is related to the success or level of activity of the enterprise. For voluntary, good neighbours type agreements the community is unlikely to have any say over the type of payment. However in partnerships where the private sector is paying the community for tourism or hunting rights there are a number of options open to the community. Attitudes to risk play an important part in the decision.

A key issue in the hunting agreements is whether payment should be per animal shot or for the quota as a whole. The choice between the two approaches may not always be straightforward, as the amounts paid under either arrangement should in theory reflect the different levels of risk involved. If payment is per animal shot rather than for the quota itself, the community is taking on the risk that the company will not be able to make use of all of the hunting opportunities implied by the quota. The community should therefore expect to be paid more per animal than on a quota basis. Conversely, if the company agrees to pay on a quota basis it is taking on the risk that it might not use up the quota and would therefore expect to pay less than on a per animal shot basis.

#Khoadi//Hoas conservancy in its first negotiation of this type accepted the operator's proposal of a payment based on animals shot. As the operator did not undertake any hunting activity in the period of quota validity, #Khoadi//Hoas received nothing. In a subsequent tendering process the conservancy changed this approach to a quota fee.

The choice of payment structure and the effect it has on fees proposed should therefore depend on the perceptions of and attitudes towards risk on both sides. The company may perceive the major risk to be that the animals are not there in the abundance indicated by the wildlife surveys, or that administrative procedures are not completed in time. The community may perceive the risk to be that the company will not find sufficient clients. Both sides, but particularly the community, need to consider what level of risk they are comfortable with. If the community depends on a certain level of hunting income to cover specific expenditures then it will prefer to avoid risk. The small size of the quotas in Namibia for the big game animals that provide the greatest revenue, typically only one or two elephants, makes it more likely that communities will be risk averse. On a payment per animal shot basis, failure to shoot one elephant out of a quota of two means a loss of 50% of elephant-related revenue. This could have a drastic effect on community revenue.

For non-consumptive tourism, the least risky option for the community is an annual fixed payment unrelated to the level of activity or turnover of the operation. As the company will be taking on all of the risk in this case the payment would normally be lower than in a structure where a proportion of the payment is linked



with the level of activity. The community takes on some of the risk in cases where the bulk of the payment for wildlife or cultural access is in the form of bednight levies. In these cases, low occupancy implies reduced payments to communities. Thus communities should expect to be rewarded for taking on some of this risk.

As in the case of hunting concessions, this requires the community to understand what its own risk profile is. Is it more important to have a fixed level of income to fund a particular activity over ten years or can the community risk some variation in its income in the expectation that it will get more overall. Similarly, the community needs to understand the factors that influence the level of activity for the tourism operator and their implications for revenue. In particular it needs to know what levels of occupancy (if this is what payment is related to) are realistic in the early years of operation and in subsequent years. The availability of a tourism specialist to advise the community at this stage is therefore important.

The Damaraland Camp agreement provides an opportunity for the conservancy to acquire shares in the enterprise if donor funds become available or after ten years to buy the assets of the enterprise through corresponding reductions in rental and bed night fees.

One of the reasons behind the failure of the partnership between Trans Namibia Tours and the Ugab River Camp was the unrealistically high expectations the community had of the fees they could demand. At one time the family owning the PTO for the site demanded \$150 per person, based on rack rate prices from top hotels and lodges.

As discussed in Section 4.5.2 (on ownership) payment may also be in the form of dividends or profit shares. In this case they will be linked not only to the level of activity but also to the balance between revenues and costs i.e. the risk to the community is greater than for a turnover-linked payment, but if the enterprise is successful the potential returns are higher. In Section 5.5.2 other reasons why this might not be a good option for a community were set out. The best approach may be to allow some flexibility to change payment structures after a given number of years. This allows both sides an opportunity to observe the performance of the enterprise over time.

For non-financial reasons, it may also be preferable for both sides for the payments to communities to be linked to the success of the enterprise. This is primarily so that they can appreciate the link between management of wildlife, tourist visits and community revenue. There are a number of approaches to link payments to business success

including, percentage of turnover, percentage of fees for accommodation and basic activities, flat rate payments per person. On financial criteria there is little to distinguish these. The key criterion may therefore be transparency. The basis for payments needs to be clear so that the community can be sure that it is receiving the right amount of money. Any false expectations the community has of potential returns should also be addressed in advance. Minimising the potential for misunderstanding ultimately benefits both sides of the partnership. A flat rate per person per night is the most transparent as this is easily monitored by the community. The community can keep track of how many people are staying and easily calculate how much it should receive. Basing it on a percentage of fees, given that these vary between season and between different types of tourist means that it is more difficult to calculate the total amount payable. To take account of rates rising over time, it can be agreed in the contract that the flat rate will increase by a specified percentage each year.

**Conclusions/Recommendations**

The choice of payment structure for a tourism partnership depends on the level of risk the community is willing to take on.

For hunting agreements, a community should only opt for payment per animal shot if the amount involved is significantly higher than that offered for the quota and if it can cope with some fluctuation in income. If a payment per animal shot system is chosen, some minimum payment should be incorporated to ensure that the community gets something even if the operator does no hunting at all as in the #Khoadi//Hoas case.

For non-consumptive tourism, the community should only opt for payments related to the success of the enterprise if it can cope with some fluctuation in income and if the potential reward is higher than under a fixed payment system. If this option is chosen, the most transparent way of linking payments to the overall level of business is through a flat rate per person per night, adjusted annually in line with inflation. Transparency is of benefit to both sides of the partnership.

It is advisable to allow for changes in the payment structure after a specified period.

*Determining How Much the Overall Package Should Be*

The challenge is to determine what is a fair value for land, hunting and tourism rights and there is no straightforward answer. The absolute minimum that the community should accept would be given by the returns forgone from alternative land uses and taking into account costs of running the conservancy and other wildlife-related costs.

The maximum that the company will be prepared to pay will be given by what it needs to make a reasonable return or by what it would have to pay in a comparable location. If it pays any more than this, it will not be commercially viable or it will be better off going elsewhere. A "fair" value would be somewhere in between these two levels where both sides feel that they are deriving some advantage in relation to other options. But

it is usually easier for the company to assess the community's options and hence the minimum that is prepared to accept than for the community to determine what the company's maximum payment is likely to be.

For hunting contracts, the government auction system is useful in providing a series of reference prices that set a benchmark. Another reference point for both hunting and tourism partnerships is given by the costs of wildlife to the community – including the running costs of the conservancy where appropriate. It is also necessary to consider wildlife damage to crops, livestock and people, as well as costs of any land use restrictions implied by the hunting or by maintaining wildlife. Not all of these are easily quantifiable but the community needs to weigh all of these against the expected revenues.

Tendering to a number of companies will enable comparison of bids. Thus Salambala Conservancy was able to compare bids from four companies that responded to its call for tender on its hunting quota. For tourism enterprises whatever selection process is adopted, direct negotiation, auctioning or tenders, it is useful for the community (or people advising it) to make or have access to projections of potential returns of the enterprise under different assumptions about occupancy, rates etc. This will enable them to assess whether the offers made in the various bids are realistic or provide a basis for discussion in negotiations.

Linked with the value of tourism assets is the issue of exclusivity. Some agreements impose restrictions on tourism developments within a certain radius. This reduces the threat of competition and hence increases the potential returns to the company. At the same time it closes off the option for the community of negotiating deals with other companies and receiving payments. While the entry of another company may reduce occupancy at the first lodge, the total level of occupancy at both lodges together and hence payments will probably be higher than with just one lodge i.e. it is in the community's interests to negotiate another deal with another company but not in the first company's interests. The community therefore needs to be rewarded for granting exclusivity. This requires an understanding of potential demand for tourism in the area and the extent to which companies draw on particular markets.

Neighbouring small conservancies where markets are in danger of saturation may do better by pooling resources and developing a single tourism facility. This is not an issue that has arisen yet but may be

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**Conclusion/Recommendation**

If the community is keen for its members to take on higher level employment in the tourism enterprise this needs to be built into the agreement. Realistic targets for employment of locals in more skilled and management positions should be incorporated in the agreement.

**Recruitment**

Recruitment of community members can be done directly by the company or through the community institutions such as a conservancy committee (as for Damaraland Camp) or traditional authority (as for Lianshulu Lodge). For a number of reasons it seems preferable for the community institution to be involved. Employment benefits only a few households (for Damaraland Camp 14 people out of a population of around 500) and deciding who gets these relatively well-paid positions is therefore sensitive and requires considerable knowledge of the community. A community institution is often in a better position than the company to balance factors such as household need, individuals' ability, extent to which they are affected by wildlife damage or restrictions on land use, proximity to the operation etc. At the same time however allowing those with power to choose may result in only those who are well connected getting the jobs, while marginalized groups remain excluded. Joint decision-making allows companies to employ those who have skills, or potential, rather than connections, but also enables communities to ensure that genuine efforts are being made to employ locals.

**Conclusions/Recommendations**

The conservancy committee or traditional authorities where no conservancy has been set up should be involved in recruitment.

**Determining a fair wage**

Determining what is a fair wage to pay is not straightforward as there is no statutory minimum wage in Namibia to provide a reference point. The maximum the company will be willing to pay will be given by wage rates at other lodges in Namibia and the cost of bringing in employees from elsewhere. In practice the maximum will be lower than this as the company needs to consider the costs of training local people and the implications of local skill and education levels for productivity. The minimum that the community will accept will be given by wages from other paid employment or returns to labour of livestock. A fair wage is somewhere in between where both sides can derive some benefit.

**Conclusions/Recommendations**

There is no easy answer as to what is a fair wage. The community members should expect to get as least as much as they do from their traditional activities. Wages or salaries paid at other tourism lodges are a useful benchmark but differences in skills and education level need to be taken into account.

**Restrictions on land use**

Some agreements require communities to refrain from grazing in a particular area. This is non-financial but has financial implications. This is also likely to affect some members of the community more than others so it is important for the company to ensure that negotiations are conducted with a representative community body and that ways of dealing with this are discussed. It is also necessary to consider options for grazing in emergency situations i.e. extreme drought.

At Damaraland camp the restrictions on grazing affect the farm that is nearest to the camp. But this problem was resolved because the local farm also has most access to casual employment and other benefits from the camp.

**Conclusions/Recommendations**

Restrictions on land use have financial implications, which need to be recognised and addressed in the partnership agreement. If these restrictions affect some members of the community more than others mechanisms for compensation need to be discussed.

**6.8 Length of Contract**

There is no standard length of contract for tourism or hunting partnerships in Namibia. In general, if the nature of the partnership involves the private sector making a significant capital investment (particularly true for long term contracts) will be sought as security for their investments. However long term contracts may not be beneficial to communities who are still learning about tourism and do not want to unwittingly find themselves locked into a sub-optimal contract. On the other hand, an additional problem with short-term contracts is the time taken to generate significant financial returns – tourism has a notoriously long turnaround time before returns are seen. Longer contracts therefore give security to the operator (and also to the community), encourage long-term investment and thus potentially generate increased returns.

It is difficult to make a recommendation as to the optimal length of a contract as this will depend to a large

extent on the type of operator and its ability to quickly build up clientele and turn a profit. In Namibia, the Lianshulu Lodge lease is long at 25 years compared to the three other government-granted concessions (Hobatere, Palmwag and Etendeka) which all operate on a 5 year rolling contract. The 25-year contract proposed by Lerato was also considered “too long” by the communities approached and an alternative of 15 years was proposed to Lerato. The contract between Wilderness Safaris and Torra Conservancy runs for 10 years with the option of extending for a further 5 years and this is probably a good model –

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