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# Making community-based tourism work: An assessment of factors contributing to successful community-owned tourism development in Caprivi, Namibia

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## EXECUTIVE SUMMARY

*This study investigates why many community-based tourism enterprises in Namibia have experienced difficulties in remaining operational or maintaining standards necessary for attracting tourists, while others have achieved various levels of success. It reviews the historical development and the costs and benefits of five case studies in Caprivi, from the perspective of local people and support organisations responsible for facilitating the establishment and management of these enterprises. From the data, factors that have contributed towards a successful enterprise have been identified. The value of this study arises from its presentation of ‘real-life’ experiences, opinions and perceptions of local people responsible for enterprise development.*

*Five community-owned tourism enterprises were selected, consisting of three campsites, one traditional village and one craft market. These are spread across the Caprivi Region and just into the Kavango Region – from the far west in Bagani (N//goabaca Community Campsite), the Kwandu River area (Kubunyana Community Campsite, Mashi Craft Market, Lizauli Traditional Village), to the Chobe floodplain in the east (Salambala Community Campsite).*

*Qualitative data-collection methods were used. These included semi-structured key informant interviews, community-based workshops and feedback sessions. The interviews were conducted with key people who were identified through the researcher’s experience, and from snowball sampling of those who were unable to attend the workshop sessions. Interviews were face to face wherever possible, otherwise email was used.*

*Workshops were conducted at all five enterprises. Participatory methods were used with workshop participants, who consisted of key people involved in the development or management of the enterprises – for example, enterprise staff, conservancy committee members, support staff, and community members. This methodology is advantageous as it creates a relaxed and flexible manner in which to share information from a broad spectrum of people with different levels of literacy and understanding of the issues. Feedback meetings to verify the interpretation of the data were also held at each of the case-study sites.*

*This research project generates direct evidence of awareness of the importance of natural resources for tourism and the change in people’s attitudes, perceptions and values, which has led to improved natural resource management. This evidence is very positive for the Namibian Community-based Natural Resource Management (CBNRM) programme, one of whose founding premises is that resource management will improve if people benefit from resources through financial incentives and proprietorship. Community-based tourism (CBT) should therefore not be viewed purely as an income-generation mechanism but as an integral tool for the success of the CBNRM programme.*

*Research findings reveal that business plans in the ‘idea phase’ of CBT development need to be initiated for all proposed community-based tourism enterprises (CBTE) and should incorporate issues of financial viability, marketing, benefit distribution and management structures. These should link closely with the conservancy’s business and management plan and will assist with a through-flow of benefits.*

*Collective development and management of enterprises have associated costs, one being time. This is especially significant to people who have few resources and are contributing their time on a non-remunerated basis. Meetings and discussions which are necessary to get consensus on enterprise-related issues are the major consumer of time. These activities take people away from their daily*

*livelihood tasks, such as agriculture, veld<sup>1</sup>-food collection and cooking. Connected to this is the issue of frustration and disillusionment among community members due to the slow progress of development. For the amount of input community members give, they expect progress far quicker than it usually takes.*

*Success of an enterprise is difficult to measure as it can encompass many variables. Tourism is beginning to embrace the concept of the triple bottom-line – economic, environmental and social sustainability – and it may be premature to expect the nascent industry of community-based tourism to achieve easily such holistic success at this early stage. There is, however, evidence in Caprivi of successful development of enterprises by communities, especially in terms of social and environmental aspects. Economic success was not achieved due to the unrest in the region and the collapse of tourism. None of the enterprises earned much income during 2000, 2001 and most of 2002, but they have all shown a strong resilience in the face of the setbacks. Related to people's perceptions of financial success is the transparency required by management, and the amount and timing of benefits received. Financial transparency must be maintained and benefits seen quickly to enhance trust and 'buy in' by community members.*

*Communities, however, require enabling policies and a supporting framework for policy implementation to be in place. Outside assistance, especially in accessing capital and tourism awareness and business management, is also vital for CBT development and sustainability. Technical support by non-governmental organisations (NGOs) and Government should include capacity building, training (both formal and on the job), and also incorporate financial backing. Support agents need to be sensitive to the amount and manner in which support is provided, and guard against dependency being created. Support should, however, not be removed too quickly and is most useful if it is ongoing "light touch adaptive management" (Jones 2001:169), which guides rather than manages communities. If the enterprises are to be truly successful and sustainable, they have to become financially independent.*

*There is no set recipe or formula that can be used when establishing successful CBTEs. Best practice guidelines have, however, started to emerge from this study, with its theoretical and practical links.*

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<sup>1</sup> Indigenous bush

## 1. INTRODUCTION

Community-based tourism (CBT) development in Namibia has been expanding since the early 1990s. As with all forms of tourism development in Namibia, there has been minimal guidance from Government through legislation and policy implementation prior to this period. Nevertheless the importance of CBT was recognised in policy as far back as 1994 (MET 1994). Until recently, however, no supporting framework for policy implementation was in place and therefore policy has proved ineffectual in providing direction to communities and support organisations. The lack of a framework was partly due to the limited capacity of the Ministry of Environment and Tourism (MET), especially in remote areas such as the Caprivi Region. This was also due to the fact that CBT was being pioneered in the region and so all enterprises were essentially experimental in their approaches. Early tourism surveys in Caprivi revealed that there was little understanding among rural communities regarding tourism issues and how people could be involved or benefit from tourism (Jones *pers. comm.* 2002)<sup>2</sup>.

The institution of the Government's communal area conservancy legislation in 1996 created new opportunities for rural Namibians and facilitated a new vision linking sustainable use of natural resources to social and economic benefits (MET 1996). One of the primary aims of community-based natural resource management is to ensure that the economic returns from wildlife and tourism go to the communities<sup>3</sup>. The lack of guidance in the past, as well as the fast growth of the community-based tourism industry, has caused certain sustainability problems in terms of the success of these enterprises. These problems have been compounded by a lack of awareness by all involved parties of the underlying criteria contributing to the success and/or failure of the enterprises. A key factor has been a shortage of experienced field workers/facilitators to work with communities and provide technical and logistic support.

Some of the work already conducted in Namibia on CBT development, through supporting non-government organisations (NGOs) and the Namibian Community-based Tourism Association (NACOBTA), has lacked clear direction and understanding of the dynamics of tourism issues. This is also true for private operators, governments and communities. In some areas this lack of understanding has led to a boom of community-based tourism enterprises (CBTEs) being developed, but with a poor success rate in remaining operational. At this stage, six years after the legislation was enacted, it is productive to review a series of CBTE case studies to track the criteria underlying success and/or failure, in order to identify factors that may help improve future CBT developments.

This paper reviews the experiences of five community-owned<sup>4</sup> enterprises in the Caprivi and Kavango regions of Namibia. The data gathered is based on the researcher's experience of working with these communities and enterprises over the past five years and on specific fieldwork carried out with each enterprise, in the form of workshops. The workshops utilised participatory methods (PRA) – time lines, matrix scoring and ranking (Plate 1) and role plays. The data has been supplemented by interviews and discussions with a number of key stakeholders, including those from the private sector, NGOs, Government, and effected communities who could not attend the workshop sessions.

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<sup>2</sup> The socio-economic survey was not available for review, however B. Jones was a member of the survey team in 1991.

<sup>3</sup> A 'community' being a pre-defined group of people who are considered as a unit.

<sup>4</sup> Ownership by a group of people within a defined area (see section on 'Ownership' pg 16).



**Plate 1: Community members ranking the costs and benefits of tourism within the workshop setting (N//goabaca workshop proceedings, 13 September 2002)**

For the purposes of this study, three key questions were raised:

- What are the main direct and indirect costs and benefits of the enterprises to the communities?
- Is the understanding that communities have of enterprise development and management issues adequate to manage a sustainable business?
- What do community members identify as the key factors underlying successful enterprise development?

Against the backdrop of these questions, this paper briefly examines global trends in the tourism industry, focussing on developing countries. An overview of Namibia's CBT industry follows, which in turn leads to an outline of five case studies. The findings of a series of workshops and interviews, which identify costs, benefits and factors contributing to the success and sustainability of the enterprises, are then analysed and conclusions drawn.

## **2. TOURISM TRENDS WITHIN DEVELOPING COUNTRIES**

The economic potential of tourism, especially within developing countries, has been identified as an important contributing factor to global tourism growth (Palmer 2002; Honey 1999; Ashley & Roe 1998; Mowforth & Munt 1998). In developing countries tourism has often been viewed as the pivot for small-scale enterprises and employment, and therefore the uplifting of standards of living (Honey 1999). A key area of debate has been the changing focus of tourism enterprises, from mass tourism to more specialised brands.



### **From mass tourism to sustainable, eco and community-based tourism**

There have been significant changes in the character of tourism over the past few decades. After the Second World War (1939-1945), with the rise of new modes of transportation, there was a marked increase in cheap 'packaged' mass tourism holidays (Palmer 2002). From around 1980 tourism began to lose its mass, 'package-tour' character with markets becoming increasingly fragmented and diversified (Palmer 2002). Interest increased in alternative forms of travel in a 'non-mass' form (Brohman 1996; Fennell 1999). Many of these trends have been directed to address economic gaps within society by providing opportunities for local community involvement and subsequent poverty alleviation. So, while mass tourism can account for the increasing number of international arrivals (WTO 2001), other forms of tourism are clearly in evidence.

The term '*sustainable tourism*' was adopted as a means to address tourism development and its associated problems. This included policy shifts adopting a people-centred approach to the conservation of resources, tourism development and poverty reduction (Honey 1999). The conceptualisation of sustainable tourism has been valuable in creating an awareness of the importance of the issues surrounding sustainability. However, thus far little has been achieved, besides creating awareness, to actually address rural development concerns (Fennell 1999; Ashley, Roe & Goodwin 2001). *Eco-tourism* was initially thought to be a panacea for the problems that were occurring within the tourism industry. Over time, however, it has become clear that this is not necessarily true, as the lack of a framework for eco-tourism has resulted in stakeholders redefining the concept to suit their own requirements (Cater 1993; Honey 1999).

A common theme within recent tourism development has been the importance of active participation of local people and the considerations about the environment. Mowforth and Munt (1996) are emphatic that community involvement is vital within tourism development and that the only consideration is to what extent the community get involved. *Community-based tourism* is closely linked to sustainable and eco-tourism, but it offers a more concrete concept, stating the type and degree of participation and involvement for local people, and the associated costs. Both *responsible tourism* and *pro-poor tourism* are approaches to tourism with an emphasis on community participation, rather than tourism as a product or sector (Ashley, Roe & Goodwin 2001). Responsible tourism has been developed as a key guiding principle for tourism. It recognises that profitability is essential for tourism sustainability, but at the same time that social factors are of equal or greater importance. The pro-poor tourism approach specifically addresses the needs of the poor. Although both of these approaches relate to sustainable tourism, social factors are their core focus.

### **Community-based tourism in Namibia**

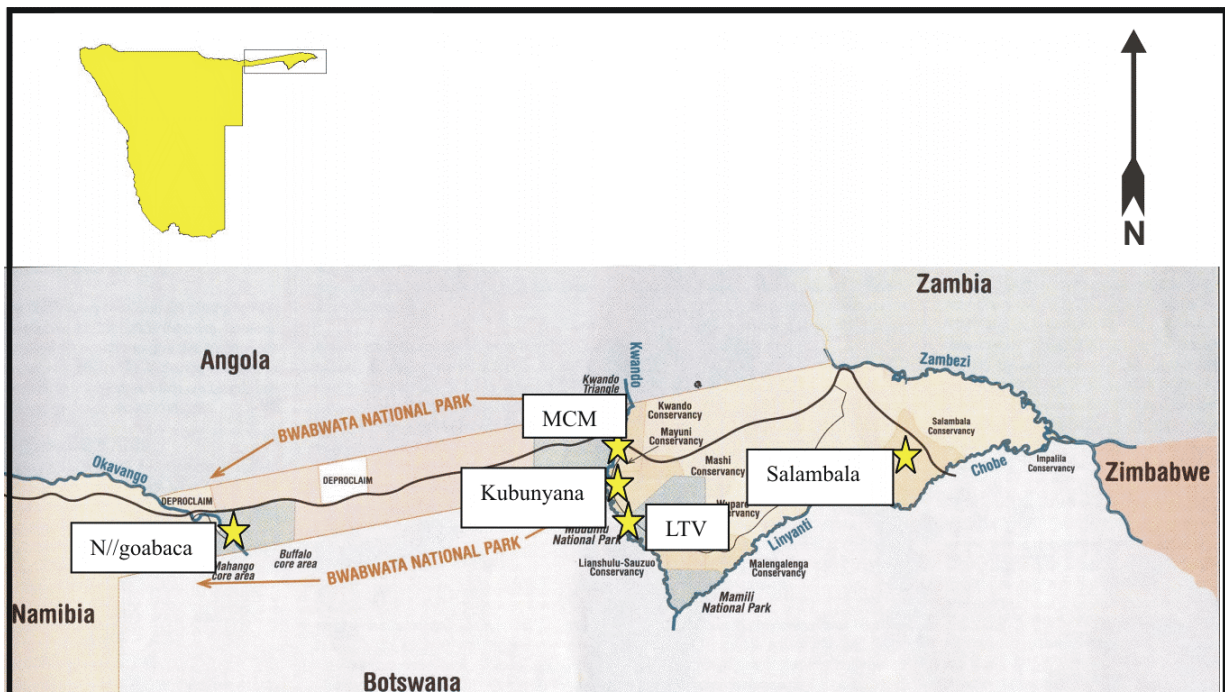
Government legislation, the 1994 White Paper on Tourism, stated that "tourism must provide direct benefits to local people and aid conservation" (MET 1994:5). In 1995, a policy on "Community-based Tourism Development" was initiated (MET 1995). In most regions in Namibia, however, Government has had little capacity or operational support to implement the policy.

The passing of Namibia's communal area conservancy legislation in 1996 created new opportunities for rural Namibians and facilitated a new vision linking the sustainable use of natural resources to social and economic benefits. The Nature Conservation Amendment Act of 1996 clarifies this by stating that residents of communal areas have rights and duties regarding the consumptive and non-consumptive use and sustainable management of game in those areas, in order to enable the residents to derive benefits from such use (MET 1996).

Namibia's Community-Based Natural Resource Management (CBNRM) programme provided both a conceptual and legislative framework for the initiation of community-based tourism (Roe, Grieg-Gran & Schalken 2001; NACSO 2002). The CBNRM philosophy dictates that communities receive direct benefits through the protection and sustainable use of natural resources. This links closely with the eco-tourism and community-based tourism concepts, which outline the importance of environmental, social and economic issues. Since the 1990s, a number of community-based tourism enterprises have been initiated by communities, private entrepreneurs and NGOs. Some of these developments have been highly successful, while others are in various stages of decay. The lack of sustainability of some of these enterprises can be attributed in part to insufficient technical and other support from NGOs (apart from possibly receiving a cash grant). If future developments are to be successful, further investigation is required to identify reasons underlying this lack of sustainability<sup>5</sup>.

### 3. STUDY AREA

The five case studies are situated in the Caprivi and Kavango regions of Namibia. The narrow finger of land, which makes up the two regions, is commonly known as the 'Caprivi strip'. It sticks out from the far north-east corner of the country and is bordered by Zambia and Angola to the north, Zimbabwe to the east, and Botswana to the south. The 'strip' is 450km long, with a minimum width of 40km in the west and a maximum width of 100km in the east (Main 1990). The five case-study enterprises are spread throughout the two regions. N//goabaca Community Campsite is in the far west on the Kavango River; Mashii Craft Market, Kubunyana Community Campsite and Lizauli Tradional Village are in the Kwando River area; and Salambala Community Campsite in the eastern floodplains of the Chobe River.



**Figure 1: The Caprivi and Kavango regions, with the location of the five case studies marked. Source: adapted from Namibia Travel News - September 1999 (no scale provided)**

<sup>5</sup> Some of these challenges and issues are currently being addressed by the Directorate of Tourism, NACOBTA and NGOs, through tourism planning, policy review and broader community consultation.

### **N//goabaca Community Campsite**

This campsite is owned by the Khwe San community of West Caprivi. It is situated in a prime tourist area at Popa Falls and consists of four individual campsites each with its own private ablution facilities. N//goabaca officially opened in mid-1997. The camp has had a chequered history both prior and post-opening. This includes an attempted take over by the Ministry of Prisons and Correctional Services, and tourism dropping to zero occupancy during the political unrest from 1999 to 2002<sup>6</sup>. The supporting NGO, IRDNC (Integrated Rural Development and Nature Conservation), has provided both technical and financial support throughout this period and the campsite is currently being renovated to welcome the 2003 tourist season.

### **Mashi Craft Market**

Craft making, especially basket weaving, was only commercialised in western East Caprivi in the early 1990s. Crafting started slowly with NGOs holding basket-weaving and necklace-making workshops. In mid-1995, craft production was increasing and a central selling location was chosen by the craft makers. In 1997 Mashi Craft Market was constructed. This is a co-operative market and is managed by the producers. The main produce is palm baskets, with sales taking place at Mashi as well as through an outlet in Windhoek.

### **Kubunyana Community Camp**

In late 1996, the committee of the emerging Mayuni Conservancy, through various exchange trips to other tourist destinations, came up with the idea of a campsite. Funding for the campsite was incorporated into joint-venture negotiations between a private lodge operator in the area and the conservancy. In late 1998, the memorandum of understanding was signed and construction began. The campsite consists of four campsites and three permanent tents and is situated on the Kwando River. Ongoing support has been provided by the private investor and by IRDNC.

### **Lizauli Traditional Village**

In 1991, Lizauli Traditional Village was developed by the Managing Director of Lianshulu Lodge. Although the village was built and directly managed by the private sector, it has been officially handed over to the community as a community project. The community still did not have full management control, however, and in 1995 the community negotiated for full control of the finances and other management issues. During this operational period support was provided by both the private sector and various NGOs. The village remained open and was supported by the nearby Lianshulu Lodge until the political unrest in 1999, when it closed due to the lack of tourists. In 2002, Lizauli was renovated and has now been taken over by a local entrepreneur.

### **Salambala Community Campsite**

In 1996, the emerging Salambala Conservancy started looking at ways to earn income through tourism. Various exchange trips to other tourist destinations took place, which gave the community the idea of a campsite. In 1997, the campsite was built and is now operational and managed by the Salambala Conservancy Committee. It employs three full-time staff and is supported by various NGOs. The campsite runs at a very low occupancy as it is situated off the main tourist routes.

Case histories for the five enterprises are provided in Appendix 1.

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<sup>6</sup> In August 1999 there was a succession attempt on the Caprivi, followed in January 2000 by the Angola/Namibia conflict in the West Caprivi and Kavango regions. Zimbabwe elections and the land-reform programme have also had a detrimental effect on tourism in the Caprivi.

#### 4. RESEARCH FINDINGS

Data from the five community-owned tourism (COT) enterprises in the Caprivi and Kavango regions of Namibia was gathered through questionnaires and interviews with key informants, as well as a series of community-based workshops (see Table 1). One full day’s workshop was held with each enterprise, consisting of a sequence of participatory methods (PRA). The PRA methods used were a time line to capture a historical perspective; role plays to capture the benefits and costs associated with the development and functioning of the enterprises; and an exercise ranking these benefits and costs (WILD 2002). Problems were encountered with one community who did not want to look back in time at the costs as they felt this was in the past and of little importance. This is when the role plays were incorporated into the methodology, which proved to be an excellent tool for gathering information. The supporting NGO and the researcher have had a medium-term engagement of between five to nine years with the communities. This engagement has made it possible to gather ‘real-life’ experiences, opinions and perceptions of local people. Follow-up workshops were held with communities to verify the data and report back on the findings. A poster was produced from the workshop findings, which was given to each community.

**Table 1: Issues surrounding the development of the five case-study COTs, as identified by communities and key informants**

Salambala	MCM	Kubunyana	LTV	N//goabaca
<ul style="list-style-type: none"> <li>• Chief’s vision</li> <li>• Unsuccessful displacement of people for tourism land use</li> <li>• Tribal conflict</li> <li>• Donor driven pilot conservancy project</li> <li>• Not within a prime tourism destination area</li> <li>• Large amount of financial support provided over many years</li> <li>• Long-term capacity building provided</li> </ul>	<ul style="list-style-type: none"> <li>• Started small and grew with time</li> <li>• Brought about unity among women in communities</li> <li>• Few tribal issues detracted from tourism development</li> <li>• Provides quick financial benefits at household level</li> <li>• Remained operational during political unrest</li> <li>• Long-term capacity building provided</li> </ul>	<ul style="list-style-type: none"> <li>• Strong active support from the Chief</li> <li>• Private investor developed on request of community</li> <li>• Agreed displacement of people for land use</li> <li>• Good consultative process</li> <li>• Within a prime tourism destination area</li> <li>• Strong link between tourism and natural resources management</li> <li>• Long-term capacity building provided</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector initiated and managed</li> <li>• Limited ‘buy in’ from community</li> <li>• Complexities surrounding management</li> <li>• Slow handover of management and ownership to community</li> <li>• Little transparency, unity or trust between parties</li> <li>• Reliance on lodge for clientele</li> <li>• Capacity building and training sporadic</li> </ul>	<ul style="list-style-type: none"> <li>• Long development period</li> <li>• Enormous hurdles to overcome to maintain the enterprise</li> <li>• Empowerment</li> <li>• Lack of management capabilities</li> <li>• Within a prime tourist destination area</li> <li>• Long-term capacity building provided</li> <li>• Few benefits back to community</li> </ul>

The case studies consist of various types of COT enterprises and thus provide broad perspectives of the CBT industry in Caprivi. The data from community workshop time lines and key informant interviews reveal both similarities and differences. Prominent similarities were the strong support, training and capacity building which was provided on a continuous basis by supporting NGOs; the positive link made between natural resources management and tourism and its importance for sustainability of enterprises. The CBNRM programme and the capacity of the supporting NGOs in

the area was identified as providing a strong foundation for the development and sustainability of management structures, as well as their formation. Community members have to be aware of the costs and benefits of having a tourism enterprise within their area. This awareness can come about through training, exchange visits to other areas, and broad consultation between the communities and community structures. Without this ‘buy in’ there is little chance of success. This takes time and often means slow development and delays within the process.

The stakeholders from the various enterprises naturally revealed differences between the case studies. Communities are dynamic entities, which require understanding and participation by all involved parties in terms of enterprise development. Although there was broad community consultation in all of the case studies, the reasons behind the idea of the enterprise, the initiation process and support for development all played a role in long-term sustainability. These factors were very different in each of the case studies. Where roles were unclear, ideas pushed too quickly, community ‘buy in’ was lacking, or tribal complexities were present, there were often continuous difficulties to combat. Community ownership of enterprises is a highly complex issue that requires strong leadership and good management structures in place.

**Direct and indirect costs and benefits**

Table 2 summarises the main costs and benefits identified from the five case studies and questionnaires. These costs and benefits have been organised under four headings: environmental, social, economic and political.

**Table 2: Key costs and benefits to communities involved in CBT enterprises, 2002**

	<b>Environmental</b>	<b>Social</b>	<b>Economic</b>	<b>Political</b>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Loss and access to areas</li> <li>• Wildlife damage to natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Use of time</li> <li>• Loss of land rights and access to areas and resources</li> <li>• Lack of unity among community members</li> </ul>	<ul style="list-style-type: none"> <li>• Low income generation</li> <li>• Lack of transparency</li> <li>• Time it takes to receive benefits</li> <li>• Loss of land</li> </ul>	<ul style="list-style-type: none"> <li>• Instability in the region</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Increased wildlife</li> <li>• Increase awareness of the importance of the natural resources to tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Increased confidence</li> <li>• Employment</li> <li>• Gender sensitivity</li> <li>• Empowerment</li> <li>• Increased skills</li> </ul>	<ul style="list-style-type: none"> <li>• Income from natural resource sales</li> <li>• Cash from employment</li> </ul>	<ul style="list-style-type: none"> <li>• Conservancy legislation</li> <li>• Tourism plans</li> </ul>

Environmental benefits were closely linked to the awareness and change in people’s attitudes to natural resource management. *“If a child brought me eggs from a bird’s nests in the bush, I would tell him to return the eggs to the bush. I can pass on what I have learnt to my kids.”* (LTV workshop participant.) Social costs and benefits were many and covered a broad spectrum of issues. At the forefront of these was the loss of land or access to areas where development had now taken place (Plate 2). *“Before the campsite we used to eat the fruit of this big tree, now we can’t.”* (N//goabaca workshop participant.)



**Plate 2: Symbolising the development of community-owned tourism. The soil on the leaf represents the land that was given up by people to make way for the enterprise (Kubunyana workshop proceedings, 17 September 2002)**

Many of the costs were also identified as benefits. An example is the costs incurred as a result of wildlife damage to crops, craft resources and campsite infrastructure, versus the benefits from the increase in wildlife numbers (as identified by the community rangers in the area) as an attraction for tourism. Another example is the cost community members' time spent on the enterprises, often taking them away from their everyday livelihood activities, versus the increase in skills, empowerment and confidence that is gained from time with the enterprise. *"We were looking for majority support, but it took time."* (Kubunyana workshop participant.) Many of the costs and benefits lead directly into the factors underlying the success of CBTEs. *"The campsite is also benefiting people – the person who had the idea is a hero."* (Kubunyana workshop participant.)

### **Factors contributing to the success and sustainability of the enterprises**

Table 3 summarises the main factors identified from the five case studies and questionnaires. These have been divided into environmental, social, economic, business and political factors which need to be considered for the success and sustainability of CBTE.

**Table 3: Factors identified as contributing to the success and sustainability of enterprises**

<b>Environmental</b>	<b>Social</b>	<b>Economic</b>	<b>Business</b>	<b>Political</b>
<ul style="list-style-type: none"> <li>• Natural resources viewed as an asset</li> <li>• Increased awareness of the value of natural resources</li> <li>• Link made between natural resources and tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Community agreement and participation</li> <li>• Broad consultation</li> <li>• Community ownership</li> <li>• Trust between all involved parties</li> <li>• Conflicting land use</li> </ul>	<ul style="list-style-type: none"> <li>• Own funding not available</li> <li>• Timing and amount of benefits</li> <li>• Transparency of finances</li> </ul>	<ul style="list-style-type: none"> <li>• Good understanding of tourism and business issues</li> <li>• Planning</li> <li>• External support</li> <li>• Increased skills base</li> </ul>	<ul style="list-style-type: none"> <li>• Political stability</li> <li>• Tribal stability</li> <li>• Khuta support</li> <li>• Governmental support</li> <li>• Clarity on steps and roles in CBT development</li> </ul>

Community ownership and management of an enterprise is difficult because of the dynamic nature of a community. *“It is for the community because the decision is made by the community.”* (MCM workshop participant.) Early community consultation and ‘buy in’ is vital for the sustainability of the enterprise. *“The Khuta helped... by calling and negotiating with the people who resisted.”* (LTV workshop participant.) This also enhances the trust between all the involved parties. Transparency at all stages of the enterprise’s development, not only of financial issues, is an integral part of successful CBT management. *“There was not transparency on financial matters. If I am the chair, the only one who knows is my son.”* (LTV workshop participant.)

It has been found that communities frequently lack an understanding of the nature of tourism and lack the skills to develop and manage an enterprise without external training and support. *“We lacked tourism awareness – we did not know that the traditional village could help.”* (LTV workshop participant.) This external support should not only encompass funding, which communities often lack, but should be constant and have a real commitment to a ‘bottom-up’ development philosophy (Jones 2001). Once an enterprise has been developed, communities expect to receive benefits. These benefits need to be quick in coming to prevent impatience and disillusionment developing around the enterprise. *“I started coming to meetings (shows size her child was when she started), he is growing and he sees nothing.”* (N//goabaca workshop participant.) Political and governmental support also needs to be enhanced to encourage CBTs and provide a safe environment for tourists.

## **5. ANALYSIS AND DISCUSSION**

In the analysis of the data collected from the workshops and interviews, commonalties were found between the costs, benefits and important factors identified by the five case studies. Further analysis was conducted around the key factors raised by all five case studies. These factors are crucial to the success and sustainability of CBT enterprises. A detailed analysis of these factors follows:

### **Nature of the consultation process**

Although community initiation of the enterprise was viewed as important in all of the case studies, the way in which the initiation was handled is of greater importance. The idea for a community enterprise often comes from an external source. The future sustainability of the enterprise, however, depends on how the enterprise develops thereafter, and who takes the process forward and supports it through ongoing training and capacity building. Although it was not raised in the workshop sessions, it is recognised, and currently under debate with support agents, that the successful management of these enterprises is often achieved through a local ‘champion’ or entrepreneur. This person must, however, still be a party to the consultation process.

All five case studies stressed the importance of broad consultation among the different interest groups in the community before the development could go ahead. This consultation was mainly identified as being among the community structures – for example, community to Khuta or Conservancy Committee to community – including the different stakeholders in the communities with various rights/uses/access to resources within the planned development. A local body, such as a Conservancy Committee, assisted effective consultation. The consultation process is often lengthy, but is important as it gauges the perceptions of community members towards the development. It acts as one of the steps towards conflict resolution and determines the level of ‘buy in’ from the community. Salafsky (1999) equates poor internal consultation among community members and stakeholders with externally driven developments.

Community enterprise developments are often donor driven, especially in the initial phases, for two underlying reasons. Firstly, the communities frequently lack understanding and awareness of tourism and business, and the benefits that can be derived thereof (Ashley & Garland 1994; WTO 2001). This was identified within four of the five case studies. Thus, outsiders sow the seeds which allow the community then to take the development further. As long as communities are able to take the idea forward, the level of community 'buy in' is far greater. Secondly, the donor or outside organisation has tangible output targets to meet, and therefore may push the process of enterprise development without waiting for the slow process of full 'buy in' to the project by the community. Salafsky (1999) emphasises the importance of checking if the communities are ready for or want the development in their area before going ahead. If the input from outsiders is too great, it can lead to dependency by the community, making it difficult to achieve self-reliance and sustainability (WTO 2001).

An example of this is the LTV case study. LTV was viewed as Mr Grant's (Managing Director of Lianshulu Lodge) village until he left the area. Shortly after he left, the village collapsed and closed. This can be attributed to the near total control that Mr Grant had over the establishment, decision-making and management of LTV. His strong control ensured financial success of the business, but did not promote long-term sustainability. Kubunyana Campsite, on the other hand, was also largely planned and built by an external developer, but is successful and sustainable. This is attributed to the fact that it was given over to the community for community ownership and management from day one; the strong community vision and leadership of Chief Mayuni; and the continuous 'light-touch' support provided by the field NGO.

Although communities appeared satisfied with the initial consultation during the development of the case study enterprises, people expressed the need for ongoing consultation, communication, and information exchange after the enterprises were established. People believed this could have prevented the mistrust and disinterest among community members in some instances. Case studies with community enterprises in Botswana revealed that there has to be continuous good-quality participation and trust among community members for an enterprise to be successful (Flyman 2000; Gejuadhur & Motshubi 2000). A key and reoccurring issue noted by the Caprivian CBNRM programme is highlighted here: communication at all levels needs constant attention – between conservancy members and their committees; among members themselves; between support NGOs, committees and Traditional Authorities; between partner NGOs; and between local, regional and national government, NGOs and community structures, free enterprise and NGOs, in all phases of the enterprise development.

### **Securing finances for development**

All business developments need start-up and operational capital. All the case studies received outside assistance for both of these and were aware of its importance. Communities frequently do not recognise the possibilities of sourcing funding to develop tourism initiatives, and therefore they require external advice and support in this. Workshop participants raised this reliance on external support, and the resulting delays, as a source of frustration. On the other hand, the advantages of such grants are that they often do not have to be repaid and are usually accompanied by technical support. This was the case for the five case studies and greatly increased the viability of quick profitability. With this in mind, the amount of cash-related benefits received by communities should have been easier to achieve. Due to the political unrest in the region, however, this did not happen – little to no benefit distribution has taken place to the broader community.



### **Training and assistance**

Ongoing training was identified as a benefit in all five case studies. Training increased the communities' skills and knowledge of business and the tourism industry, without which the enterprises almost certainly would have floundered. This skills' development also has important social benefits, such as increasing people's confidence and pride.

Training and support, mainly provided by NGOs, builds capacity and provides the required financial backing. Capacity building has been identified as having a number of components, including experiential learning (exchange visits and study tours, as discussed above), formal training courses and regular on-site training, monitoring and workshop sessions. The latter two training components were both seen as important. The former, however, is far less effective without the latter in place. Support agents need to be assessing continuously the level of support they provide and the reliance this might create. On the other hand, support agents also need to have long-term commitment. The "light-touch adaptive management" required from support organisations must not be removed too quickly, but at the same time be such that communities are in the long-term able to "wean themselves off it" (Jones 2001:169).

### **Amount and timing of benefits**

Benefits to the community are important for the long-term viability of communally-owned enterprises (Plate 3). Benefits should be as broad as possible (cash and non-cash) and be delivered to the community as soon as possible after the enterprise has been established. Enterprises can provide various types of benefits. The timing of these benefits is critical. Cash invested in the bank does not sell the concept of tourism to community members. In the case studies, benefit distribution had not always been possible due to the low income generation of the enterprises, especially the campsites. This can lead to conflicts with community members, who don't understand the reasons for the lack of benefits. With four of the five case studies, NGOs supported the enterprises financially so that they could remain operational. By enabling the campsites to remain operational, social as well as some financial benefits were also able to be maintained. In situations where there is no income for cash benefits, transparency and accountability of the financial books, linked to transparency of the benefit distribution plan, can help maintain community support and build trust.



**Plate 3: Role play indicating the benefits derived during the construction phase from selling natural resources such as reeds and poles and for the provision of labour (LTV workshop proceedings, 16 September 2002)**

## Biodiversity conservation

Past studies have been conducted to assess the linkages between enterprise development and conservation (Ashley & Garland 1994; Ashley 1995; Bond cited in Child 2002; Salafsky *et. al* 1999). A prime example is the Biodiversity Conservation Network (BCN) Asian study whose key hypothesis is that “if local people directly benefit from a business that depends on the biodiversity... then they should have the incentive to act to protect it”<sup>7</sup> (Salafsky, Cordes, Parks & Hochman 1999). In all five of the case studies the natural environment was recognised as a tourism draw card. Ashley (1995) emphasises the significance of communities recognising the importance of wildlife for tourism. Various issues surrounding wildlife and natural resources were identified by the communities as costs, benefits and key factors. In some cases it is difficult to distinguish between environmental perceptions linked to the enterprise and those linked to the CBNRM programme, since four of the five case study enterprises are directly linked to communal conservancies and an active CBNRM programme. However, strong linkages were identified between the enterprises and increased conservation awareness, which has changed people’s perceptions and practices towards natural resources (Figure 2). This in turn relates to resources being viewed as an asset for communities in terms of tourism development.

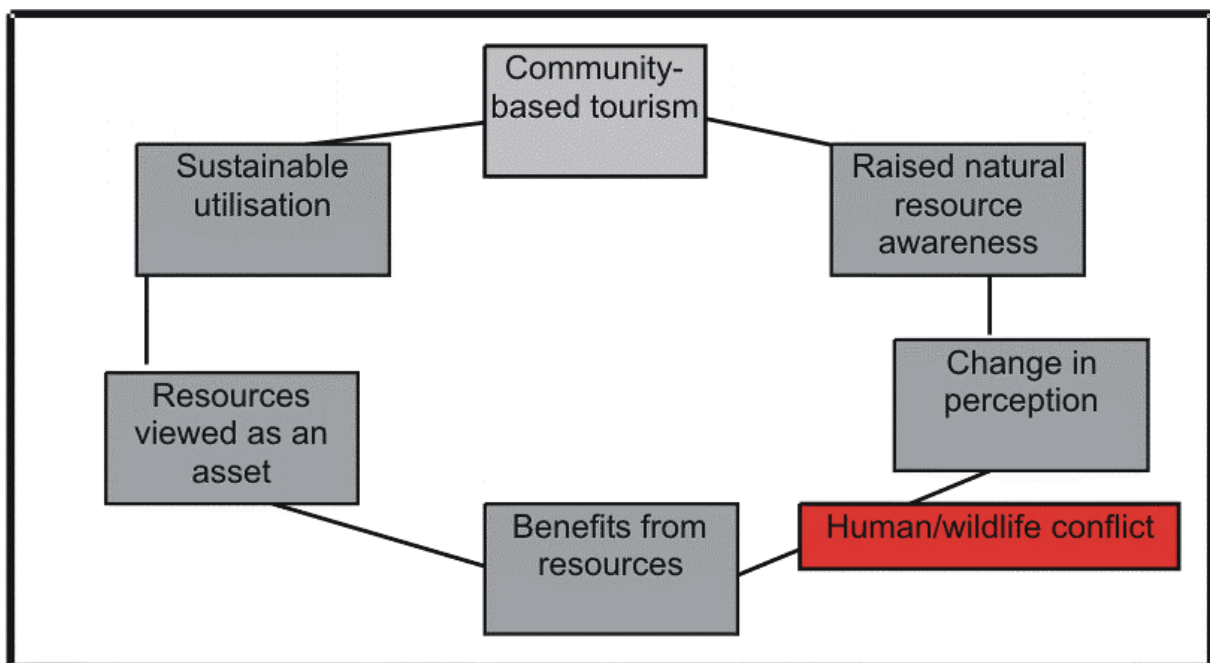


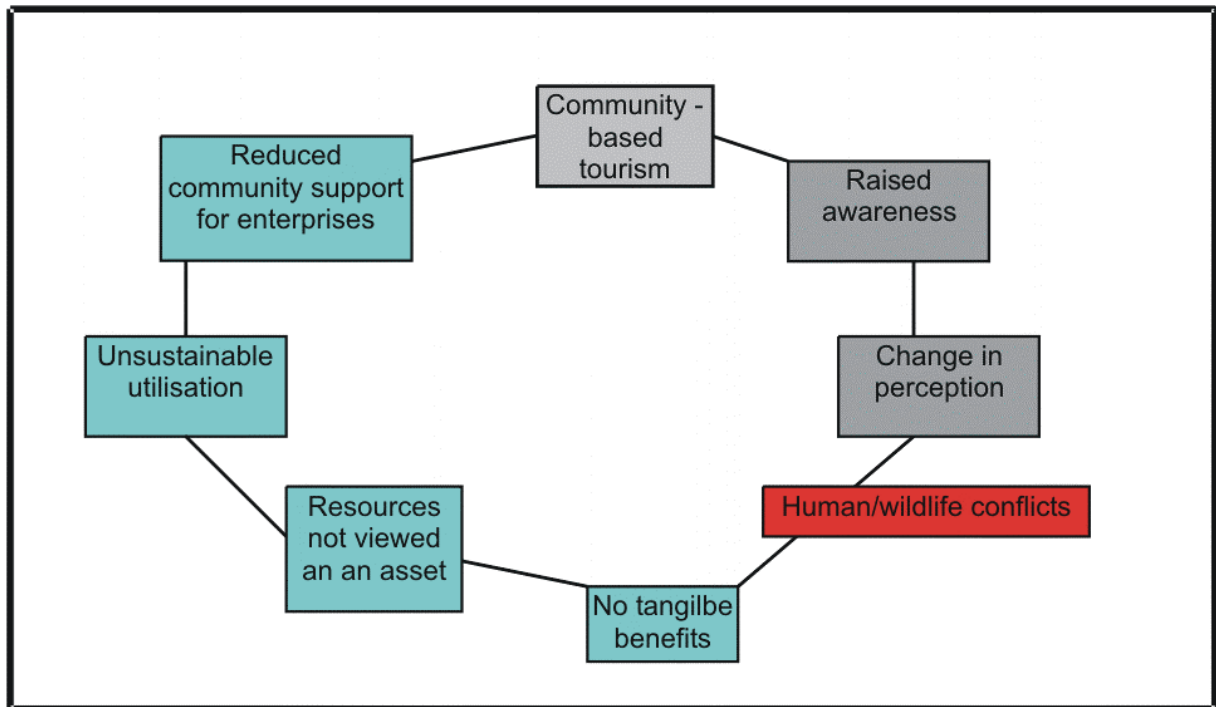
Figure 2: CBNRM enhanced through tourism benefits

If communities continue to see natural resources, including wildlife, as an asset for tourism, then the costs such as loss of access to areas for veld-food collection and fishing, and ‘problem animals’ such as elephants, may be outweighed (Ashley & Garland 1994). When workshop members at Salambala were asked about the benefits of natural resources, for example as a draw card for tourism, or the costs, for example wildlife destruction of infrastructure, they were definite about the benefits outweighing the costs.<sup>8</sup> Within communal areas of Caprivi there is high incidence of people/animal conflict (O’Connell 1995; Odendaal & Diggle 2001; Mulonga, Suich & Murphy 2002). Unless tangible benefits are seen by communities, the increase in wildlife numbers and the

<sup>7</sup> Findings of the study stated that enterprises could lead to conservation, but only under limited conditions and never on its own.

<sup>8</sup> Differentiation must be made between wildlife seen as a direct asset for tourism and wildlife seen as a direct asset for communities.

associated problems could reverse perceptions of natural resources as an asset. This in turn could lead to reduced support for the enterprise (Figure 3).



**Figure 3: Possible changes in communities' perception of natural resources as a result of increased wildlife conflicts and a lack of tangible benefits from tourism**

### Managing conflicts

Conflicts are common with joint ownership, as communities are not homogenous bodies and consist of different factions (Salafsty *et al* 1999; Flyman 2000; Gejuadhur & Motshubi 2000). Conflicts are especially evident concerning land issues, when parties are required to give up or change land usage. In the case studies, three out of the five had to negotiate with community members to give up land to make it accessible for the development. The initial resistance by affected parties was dealt with through broad consultation, strong traditional leadership involvement, and at a later stage through the provision of benefits such as employment, alternative land and assistance with moving. Thus, conflict was resolved relatively quickly and easily. In Salambala, however, conflict eventually became intractable and is still not yet resolved in spite of legal action against the small group who have refused to leave the conservancy's core area<sup>9</sup>.

The negotiations and conflict around CBTEs are time consuming and take people away from their regular activities. As a result, time is frequently mentioned as a cost of CBTEs (Ashley & Garland 1994), particularly as much of it is on a voluntary basis (Murphy 2002 *pers.comm.*). However, where local vision is being developed, people continue to support the process and attend meetings.

<sup>9</sup> Broader party political and tribal issues are involved here, and the question is whether all development in Salambala should have been halted until these were resolved, if they are, in fact, resolvable? Had the Conservancy Committee and the support programme (IRDNC and LIFE) called off the campsite development, it would still be stalled. A change in Mafwe chiefs following the failed secessionist attempt may offer some hope for this stalemate to be resolved in the future. Indications are that the long-standing feud between Subia and Mafwe in the East Caprivi may have moved closer to resolution. However, in the case of Salambala's core area any action needs to be initiated by community structures themselves, such as the Traditional Authorities and the Conservancy Committee. The role of support NGOs is simply to provide logistic support when requested.

### **Political stability**

The recent political unrest in the Caprivi and Kavango regions, due to spill over from the war in Angola and the instability in Zimbabwe, caused an enormous drop in tourism numbers both regionally and nationally. Communities and support organisations have learnt some lessons from the situation, even though it was beyond their control. A question that had to be faced was: should supporting organisations assist community projects over such hard times – to ensure that they remain open – or should the enterprises, like any normal business, be left to cope on their own? Financial support was given to some of the existing enterprises by IRDNC. The organisation had to weigh up the risk of fostering dependency versus protecting the investment of time and resources already made, as well as an NGO's moral responsibilities towards its target communities during times of war and instability.

Jacobsohn (2002 *pers. comm.*) notes, "As long as the matter is handled with adequate consultation and discussion, there is no need at all for reliance to develop." A study in a few years' time to look at the process of these campsites taking back financial responsibility would give good insight into this matter. What is clear, however, is that because such financial support was provided, the campsites were in a position to reopen, and therefore earn income, as soon as tourism started to revive. Wildlife was not decimated during the tourism collapse, as could have happened and was predicted by some. Clearly other factors beyond the CBTEs are involved here (conservancies, conservancy game guards, local CBNRM leadership and vision etc.), but Jacobsohn (*ibid*) believes that the support provided played an important role in keeping the CBNRM programme going in the region over the past two-and-a-half years.

### **Ownership**

There was no confusion over ownership in any of the five case studies. Although not initially raised by all of the case studies, once prompted, participants felt that the enterprises were community-owned, with a clear definition of what constituted the community in each case. With LTV this sense of ownership was not present in the early stages, but came about after negotiations to take control of the enterprise and the Lianshulu Lodge Managing Director's departure from the region.

Community ownership can be considered in place when the community:

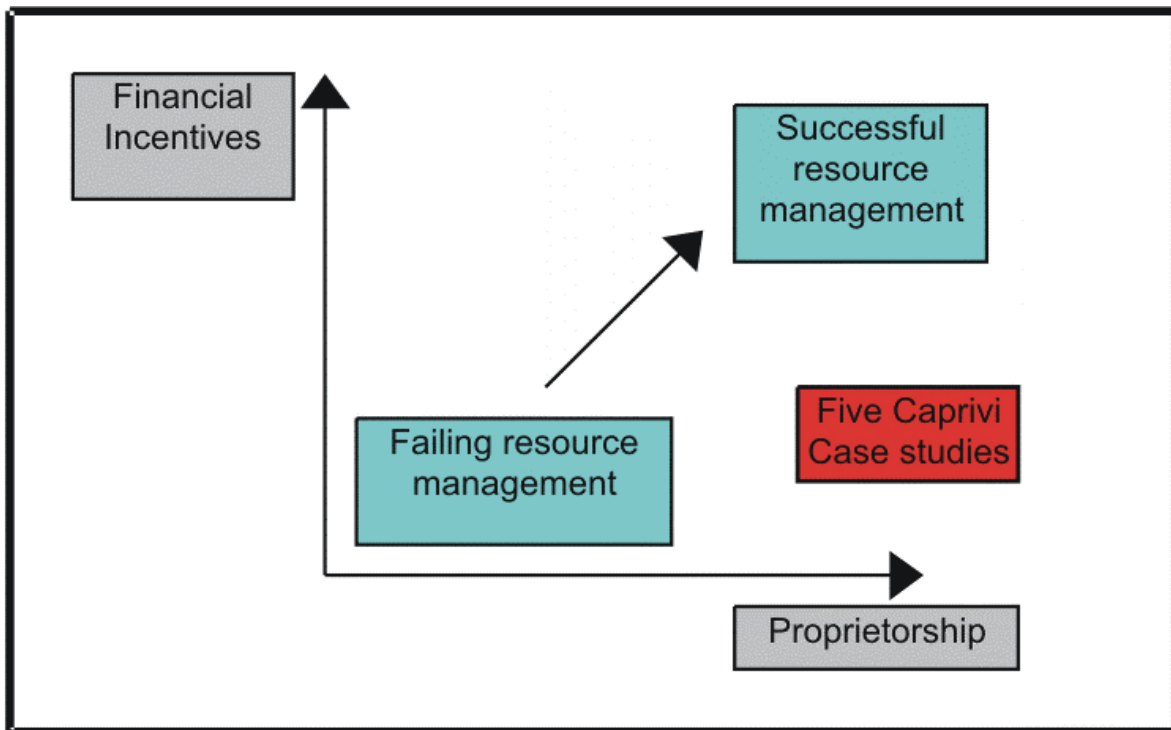
- has the legal rights to occupy the site;
- is the decision-making body for the enterprise in terms of management, and has a structure for this in place, e.g. a Conservancy Committee and Traditional Authority working together;
- benefits financially from profits made by the enterprise; and
- receives other benefits, both tangible and intangible from the enterprise.

Can ownership be seen as a factor influencing success of an enterprise? There was a strong link in the five case studies between ownership and some of the perceived benefits, such as employment, pride, empowerment, unity, increased skills and control. According to the Biodiversity Conservation Network (BCN) study done with 48 community-based enterprises across Asia and the Pacific, there is a strong correlation between the degree of local ownership and the degree of local management; the degree of local ownership and the degree of threat reduction; and the degree of local ownership and management, and an increase in conservation success (Salafsky *et. al* 1999). This situation is applicable to the five Caprivi case studies, which are all community-owned, have local management structures, and have identified strong links to good natural resource management practices.

Bond (cited in Child 2002) uses a model to indicate that the higher the proprietorship, and the higher the financial incentives, the greater the likelihood of successful resource management (Figure 4). With ownership comes rights. If the communities have the rights, and the resources are

viewed as valuable, then there is an increased likelihood of improved resource management. In the case studies financial incentive has been low, but there has still been high proprietorship and successful resource management. This can be linked to the vision of CBNRM in Caprivi. Through conservancies, communities have been given legal stewardship over their natural resource base and they have started to demonstrate the will to manage sustainably, as well as benefit from, what is now theirs.

Due to inexperience and limited exposure, as mentioned above, communities frequently lack an understanding of the tourism industry and the associated costs and benefits. This can result in enterprises being initiated with unrealistic expectations or little understanding of the complexities of managing a tourism operation, which can lead to the collapse and failure of the enterprise. It is therefore important, in the early stages of development, to increase the community's tourism and business skills. One of the ways to do this, which has proved particularly successful, is exchange trips and study tours to other similar businesses.



**Figure 4: The position of Caprivi case studies in a proprietorship-financial incentive framework linked to resource management. Adapted from Bond (cited in Child 2002)**

### **Government support to communities**

The Namibian Conservancy legislation enables communities to use, manage and benefit – both consumptively and non-consumptively – from wildlife. Non-consumptive use of wildlife constitutes tourism. So far communities have had insufficient guidance or support from Government, other than legislation, regarding tourism development. An example is the lack of clarity on the criteria and process for securing land within the Permission to Occupy (PTO) system for tourism developments within conservancy areas. This is not an uncommon problem and in a recent seminar in Mozambique on eco-tourism, it was stated that especially in Africa where tourism is fragmented, there needs to be clarity on roles and functions within all sectors, including government, for tourism development (WTO 2001). Many such issues are currently being addressed by Government through the new Draft Tourism Policy, Communal Land Reform Act, the establishment of a Namibian

Tourism Board, and the various forums involving a cross section of stakeholders. There does, however, still seem to be lack of capacity in Government to successfully implement policy and provide operational support and guidance to communities.

### **Business and development planning**

Surprisingly, the issue of planning was only raised at one workshop. However, from the researcher's and support NGO's perspective this is extremely important before development goes ahead. Planning and its perceived importance by support agents was raised with community members in the feedback sessions. Some of the communities felt that it was important, but that as they were not involved in the planning process they had forgotten to raise the issue. Other communities said that as they did not have the knowledge for writing business plans they relied on outside assistance for the planning component of development.

From the support agents' perspective, careful prior planning and consideration of the many issues surrounding enterprise development assists the long-term sustainability of the enterprise. These plans should include location, zoning, future developments and financial aspects. Once finances are secured, communities are often impatient to get the project started. This is no excuse for skipping any of the steps and, as shown by these and other case studies, planning usually reduces costs and problems later, and builds capacity.

### **Location and marketing**

Location and marketing are of vital importance for any tourism development, but ranked poorly within the communities – perhaps due to the communities' reliance on external support for advice on these issues. Both marketing and location influence the number of tourists which the enterprises receive, and link back to planning. Accessibility, distance from main tourist routes, aesthetics and surrounding attractions are some of the issues that need to be considered. Traditional villages need direct links to tourist lodges to supply customers, as on their own they may not be a big enough attraction to sustain a full-time operation. NACOBTA has recently started assisting CBTEs by marketing them through the web and brochures. This will greatly improve much-needed awareness within the tourism industry of the availability of CBT in the market place.

### **Financial viability**

The bottom line is that an enterprise is not sustainable unless it is financially viable. None of the workshop participants stated this factor as directly important. It is, however, apparent from the benefits factor that communities do perceive a need for the enterprises to have economic returns. Financial viability needs to be taken into account at the start of the planning process. The collapse of tourism in the study area precludes an assessment of financial viability of the case studies at this stage. However, financial scenarios suggest that the enterprises can be financially viable given a recovery in tourism numbers and an increase in the rates charged (see Appendix 2).

The last three factor headings were not ranked as important from the communities' perspective. This might be attributable to the majority of rural communities' inexperience, limited exposure, and lack of understanding of tourism and business management.

## **6. WHAT IS SUCCESS?**

Success of a community-owned enterprise is difficult to measure because of the different criteria involved – financial, social, environmental etc. For example, an enterprise may be profitable but not be supported by the broader community, or it may not be profitable but the social benefits it

provides are large. As a result of these different and sometimes changing variables, there is no generic recipe for success (Salafsky *et. al.*1999). There are, however, guiding principles which can be put into place to assist the enterprise on the path to success. Each enterprise must be viewed as unique and the criteria adapted specifically.

This research report has offered an insight into the factors which are perceived by local people as important for CBT development in Caprivi. It has shown that ingredients for enterprise sustainability do not relate entirely to economics, but also have environmental, social, and political dimensions. Taking these factors into consideration for CBT development will provide a firm foundation for a successful and sustainable enterprise:

- **Principles of profitability**

CBTEs need to be profitable. Finances must be managed in a transparent manner by and for the community. In addition, the community must benefit financially from the enterprise, with little or no 'leakages' taking place.

- **Principles of environmental sustainability**

The enterprise should play a role in maintaining the habitat in its natural state. Wildlife and other natural resources in the area need to be managed sustainably, with the development contributing to the community's understanding of the importance of the natural resource base. The community should view resources as an asset.

- **Principles of social development**

Ownership of the enterprise needs to be clearly defined. Community consultation and transparency on management issues are vital, with a community structure or framework in place to manage the CBTE. Employment needs to be from within the community. Strong community support for the enterprise must be evident.

## 7. CONCLUSION

As community-based tourism development has increased in Namibia over the past few years, greater emphasis is being placed on the involvement of communities in mainstream tourism and on improving and upgrading standards at community-owned enterprises.

This paper has reviewed the history, costs, and benefits of five case study enterprises, from the perspective of the local people responsible for the establishment of these enterprises, as well as other involved stakeholders. Out of this, factors which have contributed towards a successful tourism operation have been identified. These include good early planning incorporating viability studies; financial assistance; broad consultation; transparency of financial accounting; and a framework to facilitate this. Change in land usage and tenure issues need close attention. Enterprises also require ongoing training and support. None of this can be fast-tracked and a long-term commitment must be made both by communities and support agencies.

The success of an enterprise developed on communal land in Namibia is difficult to measure since it can encompass many variables. These variables include economic, social and environmental factors. An economically successful venture may, for example, create local social conflict if broad consultation did not precede its development. From the researcher's experience success can never encompass all three factors equally. If, over time, the enterprise becomes financially self-sufficient, creates awareness of the importance of natural resource preservation, and provides both tangible and intangible social benefits to the broader community, then it can be viewed as a successful community-owned enterprise.

The demise of all tourism in Caprivi between 2000 and 2002 illustrates the risky nature of this industry. Tourism has, however, recovered quickly since the lifting of travel advisories and the military convoy, which also highlights the robustness of the industry. In addition, benefits from small-scale CBTEs such as campsites, traditional villages and craft outlets are often small, especially in Caprivi where beneficiary numbers are large. These two factors point to the need to develop alternative income-generation activities. It should be noted that existing livelihood activities such as agriculture, including subsistence and cash cropping, are as vulnerable as tourism. Tourism should thus be seen as a way to diversify and not replace local economic activities.

This research project provides documentation of direct evidence (from participatory research exercises in the workshops) that awareness of the importance of natural resources for tourism has caused a change in people's perceptions and values, which has led to improved natural resource management. CBT should, therefore, be viewed not just as income generation, but as an integral tool to promote better management of natural resources.

Support from outside organisations is, in most instances, vital for the development of enterprises by inexperienced (in business and tourism) communal-area dwellers. Communities in the case studies failed to recognise the importance of the planning, marketing and financial viability of the enterprises. This indicates that external support should concentrate on financial, planning, marketing, training and capacity building. These constraints should be addressed by support organisations prior to any development taking place. This could speed up the development process, while at the same time increase the communities' capacity and understanding of the issues.

Government support to CBT has been increasing since the 1995 Policy on Community-based Tourism. This support includes the new draft Tourism Policy, the formation of the Namibian Tourism Board and a CBNRM unit within MET. In addition, MET, NACOBTA and field-based NGOs have joined forces to develop regional tourism plans, such as the North-west Tourism Plan and the Chobe Tourism Plan. The strengthening of partnerships between government, NGOs, private sector and communities will assist the CBT process. However, capacity within Government and NGOs to implement policy and provide support will also have to be strengthened, if progress is to be made.

Broad consultation within communities in the early stages of development was identified as important. This is critical to resolve conflict, create tourism awareness, build trust, and determine the amount of 'buy in' within the community for the enterprise. The consultation process must continue throughout the life-span of the enterprise, and so continue to create 'buy-in'. Such consultative processes take time and cannot be 'fast-tracked', due to the complex nature and wide range of interest groups within all communities. One of the costs of the development and operation of community-owned tourism enterprises is time. This is especially significant to people who have few resources and who are contributing their time on a non-remunerated basis.

Implementation of any of the above-mentioned steps cannot take place without a local facilitating framework in place. This framework is also necessary to guide the CBT development process and to link CBT to improved natural resource management. Conservancies in the Caprivi – with their democratically-elected committees, trained staff and links to Traditional Authorities – can be seen as the foundation of such a framework. At present all conservancies are new and inexperienced community-based organisations, but with time, capacity-building and the growth of experience, these grassroots social structures could play the lead role in facilitating and co-ordinating the development of a range of successful CBTEs.



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## APPENDIX 1: COT ENTERPRISES CASE-STUDY INFORMATION

### Case study 1: Salambala Community Campsite

In 1988, the late Chief Muraliswani II sought to protect the natural resources within the Salambala area by requesting the proclamation of a national park. The then Directorate of Nature Conservation rejected this idea. Shortly after this, at the request of the Linyanti Traditional Authority, a CBNRM programme was started by IRDNC on the other side of the East Caprivi, along the Kwando River. Subsequently this NGO was able to assist the Bukalo *Khuta*<sup>10</sup> with its aspirations for Salambala by doing a series of surveys on land use and attitudes of people living within or next to the area. A natural resource and game count was also conducted. The Kwando River CBNRM programme, initially based on a socio-economic survey and the appointment of Community Game Guards by local leadership, thus expanded to include the eastern part of East Caprivi with a strong focus on Salambala. With additional financial and intense technical support from the Living in a Finite Environment (LIFE) programme, workshops and capacity building aimed at registering Salambala as one of the first communal area conservancies started in earnest mid-1995. Later that year the boundaries for the conservancy and core wildlife area were defined and a conservancy constitution was drafted. The Bukalo *Khuta* asked 17 families to move out of the core wildlife area,<sup>11</sup> which was to be set aside for wildlife and tourism. By December 1995 the first grant from the LIFE programme had been finalised for the emerging Salambala Conservancy.

In 1996, the emerging conservancy started looking at ways to earn income through tourism. A potential investor was identified for a joint-venture (JV) partnership in a lodge development within the core wildlife area. Although the JV did not materialise because of the families still living in the core area, workshops, meetings and a study trip to the Communal Area Management Programme For Indigenous Resources (CAMPFIRE) programme in Zimbabwe gave the community the idea of a community campsite. In early 1997, the community chose the site for the campsite development and funding for the construction was sought by the assisting NGOs. This was secured and design and construction started that same year. Although there was community consultation and participation at all stages of the development, the LIFE programme accelerated the process as a pilot for conservancy development in Caprivi. The conservancy was registered and gazetted in mid-1998, which meant that the campsite was formally owned by the members of Salambala Conservancy, as represented by the Conservancy Committee. The campsite was officially opened in July 1998. The Conservancy Committee elected three staff members<sup>12</sup> to be full-time employees at the campsite. Both on-site and off-site training took place through IRDNC and NACOBTA, which included further study tours to other operational community tourism initiatives. The campsite remained open and in an adequate state of repair in spite of the political unrest which caused an almost total cessation of tourists visiting the area.<sup>13</sup>

The campsite consists of four individual sites, each with its own ablution facilities with hot water, a thatch shelter (kitchen area) and fire place. Three full-time staff are still employed, with a combined

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<sup>10</sup> Tribal court

<sup>11</sup> The core area was traditionally a royal hunting area and people were permitted to reside on a permanent basis only in times of flood. Seventeen families were living in the core wildlife area; 16 families moved, one returned after moving, and two new families moved in from the surrounding areas.

<sup>12</sup> Two of the staff elected had worked in the construction phase and one of was a member of a family who had moved from the core wildlife area.

<sup>13</sup> In August 1999 there was a succession attempt on the Caprivi, followed in January 2000 by the Angola/Namibia conflict in West Caprivi and Kavango. The Zimbabwe elections and land-reform programme also had a detrimental effect on tourism in the region.

annual salary cost of N\$ 11 232. Although the annual gross income has steadily increased since 1998, the highest gross earnings to date have been approximately N\$ 12 000. Because of the relatively high monthly expenses, the campsite is yet to make a profit. Until mid-2002 expenses have been covered through the LIFE grant given to Salambala Conservancy. The campsite would almost certainly have started making a small profit within three to four years of its opening if tourism had not been so interrupted by the unrest in the region.

### **Case study 2: Mashi Craft Market (MCM)<sup>14</sup>**

Craft making, especially basket weaving, was not commercialised in the west of East Caprivi until the early 1990s. Basket weaving was done by women within their homestead areas purely for their own use to winnow and store grain.

In 1990, the Ministry of Environment and Tourism (MET) and NGO groups started actively working with rural communities in Caprivi on issues relating to natural resource management. West Caprivi San groups requested staff members of the MET to assist them by selling traditional artefacts at the ranger's station at Susuwe<sup>15</sup>. These sales could be considered the start of the commercialisation of crafts in that area. In 1994, the woman in Choi<sup>16</sup> in East Caprivi heard that craft makers were selling baskets and jewellery at the newly-opened Lizauli Traditional Village (LTV). The Choi community later requested the IRDNC facilitator, Annie Symmonds, to assist them with a training workshop on basket weaving and other items that could be of resale value to tourists.

In February 1995, the first meeting took place, followed closely by a workshop with the women from Choi on necklace and basket making. Training was done with the assistance of the weavers from Sangwali<sup>17</sup> and IRDNC. IRDNC would buy the products from the craft makers and find markets for resale. This approach was viable since the amount of crafts being produced was small. By mid-1995, craft production had increased and discussion focused on the need for the crafters to sell their products from a central point. The large tree on the site where MCM now stands was chosen with the assistance of the Community Resource Monitors (CRM). Although this system worked for tourists, it was difficult for the women who had to travel some distance to get there and spend the entire day away from home.

In 1995, IRDNC sought funding for the construction of a thatch shelter for the craft sales. This was completed in 1996 and a room was provided in the community's conservancy office as overnight storage for the crafts. Craft groups elected women to act as sales people for the crafts, working on alternative days so as to allow time for domestic duties. The commission or mark-up of 20% on the crafts was put aside for taxi fares for the sales people to travel to and from the market. In 1997, the shelter was upgraded into a lockable market, which could accommodate crafts on a full-time basis. The building was completed and MCM was officially opened in March 1998. With advice from Rössing Foundation (RF), the IRDNC facilitator adapted management and pricing systems for MCM. The craft makers elected a committee to represent the craft groups and two part-time sales ladies were appointed. Next a constitution for the enterprise was drawn up. Basket weaving and standards have steadily improved over the years. MCM sales were boosted through the establishment of the Windhoek fair-trade market Mud Hut Trading, operated by RF. In spite of the

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<sup>14</sup> Refer to Murphy and Suich 2003 for more information on MCM, especially the livelihood impact of income from craft sales.

<sup>15</sup> Susuwe is a small rangers station on the Kwandu river in the West Caprivi. Tourists visiting the National Parks in the region would stop here to collect their park permits.

<sup>16</sup> A village 4km south of Mashi Craft Market.

<sup>17</sup> Sangwali is situated 55km south of the Mashi Craft Market. Basket weaving has a stronger tradition in this area.

lack of tourists caused by the political unrest in the area between the end of 1999 and mid 2002, crafters continued to produce and sell their products via MCM to RF. During this period MCM closed. Financially, 1999 was MCM's best year, earning the crafters a total of N\$ 41 000. Over the years the number of crafters has increased from five in 1995, to 253 in 1999, and 120 in 2002.

In 2002, the security situation in the area improved and the military convoy was lifted. Tourism is slowly reviving, based mostly on southern African visitors. In March 2002, MCM opened its doors for sales seven days a week. In spite of the reopening, craft sales have not increased as expected for 2002. Crafters attributed this to three factors – namely, the low purchase price of baskets for the amount of work input; difficult access to palm; and an increase in the women's responsibilities. These responsibilities include a dramatic increase in funeral attendance, looking after the sick, and workload increase due to family deaths (e.g. care of orphaned children). The last factor relates directly to the high HIV/AIDS incidence in Caprivi (MCM workshop 2002).

### **Case study 3: Kubunyana Community Campsite**

In late 1996, the committee for the emerging Mayuni Conservancy decided to develop a campsite to increase tourism in the conservancy area. These ideas arose following various exchange trips to other tourism developments, facilitated by IRDNC. The trips provided vision and broadened local knowledge and understanding of what was possible. The Conservancy Committee approached a private investor, who already had a small development within the area, for assistance. This initiative sparked a relationship between the conservancy and a second investor. Negotiations then began for a joint-venture (JV) agreement between the investor, who wished to develop an upmarket lodge, and the conservancy.

The funding of a community campsite by the investor was part of the JV negotiation. The site was agreed by the investor, the *Khuta* and Conservancy Committee. Negotiations then proceeded to relocate the farmers who utilised the designated area. In late 1998, a memorandum of understanding (MOU) was signed between the community and the private investor, in which there was an undertaking by the investor to fund and build a campsite, which would then be handed over to the community<sup>18</sup>. After two years of negotiation the farmers agreed to move and construction of the camp began.

The camp, which consists of a campsite with four individual sites and a simple permanent tented camp with three tents containing beds and is set on the banks of a backwater of the Kwando River, was officially handed over and opened in March 1999. The *Khuta* selected and employed two male and two female full-time staff members, one of whom came from the family who had lost land rights in the campsite area. At present, with tourism still far from recovery, the staff have been reduced to three, with a combined annual salary bill of N\$ 9600. In the first year of opening prior to the unrest, the campsite showed promise, with a gross income of approximately N\$ 19 000. In spite of the dearth of tourists, the campsite has shown a profit in all except one year since opening. This is largely due to its prime location, just seven kilometres off the main Trans-Caprivi Highway tourist route, and the external support provided. IRDNC provided salary payments in the years of low income and NGOs used the camp for workshops and meetings as paying guests. Visitor numbers were starting to pick up by late 2002.

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<sup>18</sup> The campsite was built with the investor's funding, but formed a part of the negotiation strategy for the JV, and a part of the negotiated benefits within the JV agreements.

#### **Case study 4: Lizauli Traditional Village (LTV)**

Lizauli Traditional Village (LTV) was developed by the Managing Director (Grant Burton) of Lianshulu Lodge, which is situated in the Mudumu National Park in the western area of East Caprivi. He stated that his motivation after independence was that a development of this nature could contribute towards people “working together towards building a stable economy and thus an enabling environment for empowerment and upliftment” (Burton 2002, *pers. comm.*). In the early stages when the Linyanti *Khuta* was approached with the proposal of development, there was a lot of mistrust as people were afraid that their land would be taken away from them. After a workshop and an exchange trip to Chobe National Park in Botswana, the benefits that could be derived from such a venture were recognised and consent was given to go ahead with LTV.

In early 1991, Burton started building the LTV. Funding for the construction came from Lianshulu Lodge, with a portion later being refunded by WWF South Africa. LTV opened on the 1st April 1991. Later that year a committee was elected to assist with the daily management issues. In the early stages the LTV project included local communities, but could not be described as a community-based enterprise since Burton played a strong leadership role (Jacobsohn 2002, *pers. comm.*). In 1994, the community started negotiations to take full control of the management and finances of LTV. This was granted to the community in 1995. The village received additional funding through NACOBTA in 1996, which was spent on the extension and upgrade of some of the facilities. However, in 1997 a large section of the village was destroyed by fire.

Lizauli community members claimed that some political unrest in 1998 caused a drop in tourist numbers visiting LTV. However, other enterprises in the region were not affected by any unrest in that year and were in fact flourishing. LTV’s lower tourism level is most likely attributable to other external and internal factors. The departure of Grant Burton from the area, a change in the Lianshulu Lodge management structure, and a suggested misuse of LTV funds by local staff, as well as a drop in the standard of the ‘product’ on offer, are more likely to have been the cause of the decrease in tourist numbers. The unrest situation did start in late 1999, and like all other CBT enterprises and most lodges, the village eventually closed.

At LTV’s peak in 1998, a total of N\$ 34 000 was earned by community members through wages, and N\$ 30 890 through craft sales. From 1998, income generation slowly dropped until the village closed. In mid-2002, a private entrepreneur from Lizauli Village approached the *Khuta* for permission to take over the derelict village, renovate it and reopen it. LTV opened its doors for tourism again in August 2002. The local community is now benefiting from LTV through jobs and craft sales.

#### **Case study 5: N//goabaca Community Campsite**

In 1991, the late Chief Kippi George and his Headmen in the area requested IRDNC to assist them to initiate a tourism development in the Bagani area of West Caprivi. However, there were many complications as the land requested fell within the West Caprivi Game Reserve under MET management. In late 1992 the camp was approved verbally by MET (Garth Owen Smith *affidavit* 1997). In 1993 written permission was granted by the Permanent Secretary of MET to commence work on the community camp at the site chosen on the east bank of the Kavango River next to Popa Falls (Chief Kipi George *affidavit* 1997). Construction under the supervision of the West Caprivi IRDNC Project Manager started later that same year and tourists began utilising the incomplete camp. In 1995, Cabinet approval was granted for the Ministry of Agriculture, Water and Rural Development’s farm near the campsite to be converted into a rehabilitation centre by the Ministry of Prisons, Resettlement and Rehabilitation. Although the West Caprivi communities protested in

writing to the MET about this development, the prison farm development went ahead. Due to the fear that this would disrupt tourism, further investment into the campsite temporarily ceased.

By early 1996 the existing infrastructure had started to deteriorate. There was still, however, a demand from tourists for a campsite at that location. In 1996, an external evaluation of IRDNC's joint West Caprivi-MET CBNRM project strongly recommended that the campsite be revived in order to maintain community interest in CBNRM, as well as generate income for local households. This saw the supporting NGO, IRDNC maximising input into the development of a quality campsite for the Khwe community. The newly built campsite reopened in mid 1997.

Later that same year, the community was informed by the Minister of Prisons and Correctional Services of plans to expand the Divundu Rehabilitation Centre. This expansion of the prison facility was to include the area of N//goabaca Community Campsite. The Khwe community of West Caprivi sought legal advice and opposed the Government's decision (Chief Kipi George *affidavit* 1997). In early 1998 the case was settled out of court in the community's favour (Corbett 2000, *pers. comm.*)

N//goabaca has proved popular with tourists in spite of all the setbacks. In 1998 at the peak of tourism and prior to the unrest, the campsite's gross income was approximately N\$ 28 000. The annual salary bill was N\$ 9 000, but was cut to N\$ 7 200 in 2000 due to the low tourism numbers. In spite of the complete lack of visitors between 2000 and 2002, the camp did not close its doors entirely and kept staff employed to guard and maintain the infrastructure. Staff salaries were subsidised by IRDNC during this two-and-a-half-year period. As a result, when unrest ended and negative travel advisories were lifted and the military convoy disbanded, the camp was ready to reopen and tourism started to recover almost immediately.

## APPENDIX 2: FINANCIAL ANALYSIS AND SCENARIOS OF THE FIVE CBT CASE STUDIES

The financial analysis of the three campsites shows that during the years of operation profits have not been sufficient to provide cash benefits to members of the wider community. This is not entirely due to a lack of viability of the enterprises. The unrest and resulting reduction in tourist numbers from late 1999 to mid-2002 is a major contributing factor. However, using the enterprises' figures prior to the unrest as a benchmark, it is apparent that not all of the enterprises are economically viable. The question needs to be asked whether communities' expectations of benefits are going to be reached, if the enterprises are not profitable. Alternatively, perhaps communities' expectations of the enterprises are too high. This is a difficult question to answer, but from comments raised in the workshops it would seem that benefits are not being received as fast or as much as people had hoped.

In the cases of LTV and MCM, direct benefits going back to the communities were far greater than the campsites. The figures show a steady increase in sales prior to the unrest, which indicate that, although there may have been difficulties with financial accountability and transparency, the enterprises were still supported by the communities involved.

### Enterprise finances: Campsites

**Table 4: Campsite guest nights and profit/loss for 1997 to Aug 2002**

Guest nights	1997	1998	1999	2000	2001	2002 (to end of Aug)
N//goabaca	525	1367	987	0	6	138
Kubunyana			620	485	268	235
Salambala		90	381	421	368	240
<b>Profit (Loss) N\$</b>						
N//goabaca	2 286	17 769	7 035	(7 798)	(8 870)	(2 828)
Kubunyana			8 045	2,597	(6 921)	(3 310)
Salambala		(4 386)	(4 262)	(2 295)	(2 353)	(4 474)

It appears from the figures above that none of the campsites are viable without continued external financial and business<sup>19</sup> support. Table 3 excludes any bridging financial support. IRDNC has given support to N//goabaca and Kubunyana from mid-2001, contributing N\$ 600 a month for salaries and covering fuel for water pump costs at N//goabaca. Salambala was subsidised through the LIFE grant up until mid-2002. Prior to the unrest, both N//goabaca and Kubunyana were showing profits without NGO financial assistance.

<sup>19</sup> Support to boost income was given to Salambala and to a lesser degree Kubunyana by support organisations using the campsites as workshop venues. The figures above include this support.



## Craft makers

**Table 5: Number of craft makers and profit/loss for MCM from 1998 to 2002**

	1998	1999	2000	2001	2002
<b>No. of craft makers</b>	118	253	170	140	120
<b>Profit (Loss) N\$</b>	16 661	40 833	21 313	21 939	12 333

The figures above show the amount that craft makers earned from sales through MCM, not how much the market earned as a business operating out of 40% commission (Table 4). Therefore these figures represent the cash benefits going back to the community members.

The sharp drop in income in 2000 and 2001 can be directly attributed to the unrest in the area, which started in the latter part of 1999. Although there is now stability in the region and tourism is on the increase, sales for 2002 are still low. These low sales have been attributed to poor supply of crafts to MCM by weavers.

## Traditional village

**Table 6: Income (N\$) for LTV from 1997 to 2001**

	1997		1998		1999		2000		2001	
	Wages	Crafts	Wages	Crafts	Wages	Crafts	Wages	Crafts	Wages	Crafts
	33 063	30 520	34 000	30 891	30 369	28 033	7 800	7 200	0	0
	@52%	@48%								
<b>Total</b>	63 583		64 891		58 402		15 000		0	0

Note 1: Wages and crafts were only recorded separately for 1998 - other years use same percentage breakdown.  
 Note 2: The 1999 total is an estimate based on 90% of 1998 recorded income.

The breakdown represents direct cash benefits to community members in terms of craft sales and wages earned from employment, both permanent positions and part-time entertainers (Table 5). Once again it can be seen that there is a sharp drop in benefits in 2000 and LTV closes in 2001. This is directly attributed to the unrest situation.

## Scenarios for campsite profitability

Given that none of the CBT enterprises had to cover their start-up costs (paid for by donor funds), the main issue to be addressed by each of these enterprises is to earn sufficient income at least to cover operating costs. Due to the drop in tourism shortly after the opening of the campsites, it is difficult to gauge at what rate, if any, their income was increasing. To attempt to assess financial viability of the campsites, various scenarios have been calculated indicating a profit or loss.

**Table 7: Actual figures for the three community campsites, indicating net income before servicing of any capital expenditures**

<b>Guests nights*</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>3 year average</b>			
N//goabaca	987	0	6	N//goabaca	331	Camping	Tents
Kubunyana	620	485	268	Kubunyana	458	0.69	0.31
Salambala	381	421	477	Salambala	426		
* Calculated from yearly income statements							
<b>Income*</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Camping as proportion of total income (3 year average)</b>			
N//goabaca	19 955	0	120	N//goabaca	0.99		
Kubunyana	18 794	14 021	8 814	Kubunyana	0.96		
Salambala	9 810	10 885	11 926	Salambala	0.98		
* Income for all activities							
<b>Expenditure*</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Annual salary bill</b>			
N//goabaca	12 920	7 794	8 900	N//goabaca	7 200		
Kubunyana	10 759	11 424	15 734	Kubunyana	9 600		
Salambala	14 072	13 180	14 279	Salambala	11 232		
* Excluding IRDNC support							
<b>Profit (Loss) \$N</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>Salaries as proportion of total costs (3 year average)</b>			
N//goabaca	7 035	-7 794	-8 780	N//goabaca	0.86		
Kubunyana	8 035	2 597	-6 920	Kubunyana	0.73		
Salambala	-4 262	-2 295	-2 353	Salambala	0.77		

Three scenarios have been calculated looking at the financial viability of the campsites. The following guest prices have been used for the calculations:

Scenario 1: camping N\$ 25.00; tents N\$ 50.00

Scenario 2: camping N\$ 30.00; tents N\$ 50.00

Scenario 3: camping N\$ 35.00; tents N\$ 60.00

### Scenario 1

The break-even point at the current rates charged, N\$ 25.00 per person, has been calculated. Current cost breakdown, with a 10% inflation rate per annum from the 2001 costs, has been added (Table 7). The tourism levels from a three-year average from 1999 to 2001 were used for this calculation.

**Table 8: Scenario 1**

<b>Scenario 1</b>			
<b>N//goabaca</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	8 358.59	8 358.59	8 358.59
Expenditure	9 209.30	10 130.23	11 143.26
Profit (Loss)	-850.72	-1 771.65	-2 784.67
Guest nights to break even	368	405	446
<b>Kubunyana</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	15 613.11	15 613.11	15 613.11
Expenditure	14 465.75	15 912.33	17 503.56
Profit (Loss)	1 147.35	-299.22	-1 890.45
Guest nights to break even	489	538	592
<b>Salambala</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	10 875.85	10 875.85	10 875.85
Expenditure (high salaries)	16 045.71	17 650.29	19 415.31
Profit (Loss)	-5 169.86	-6 774.44	-8 539.46
Guest nights to break even	642	706	777

N//goabaca and Salambala make a loss in the first year, which increases each subsequent year. Although Kubunyana makes a profit in the first year, it does not quite manage to break even in the second year and the loss worsens in the third year. This means that if the levels of tourism of recent years do not improve, none of these enterprises will be viable without some form of external funding. However, this is not a realistic situation, as income at the campsite has already improved since the end of the security problem in mid-2002.

## Scenario 2

Costs increase as per Scenario 1, however, the rates charged have increased to N\$ 30.00 for camping and remain at N\$ 50.00 for tents at Kubunyana (Table 8).

**Table 9: Scenario 2**

<b>Scenario 2</b>			
<b>N//goabaca</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	10 030.30	10 030.30	10 030.30
Expenditure	9 209.30	10 130.23	11 143.26
Profit (Loss)	821.00	-99.93	-1 112.95
Guest nights to break even	307	338	371
<b>Kubunyana</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	17 257.85	17 257.85	17 257.85
Expenditure	14 465.75	15 912.33	17 503.56
Profit (Loss)	2 792.09	1 345.52	-245.71
Guest nights to break even	489	538	592
<b>Salambala</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	13 051.02	13 051.02	13 051.02
Expenditure	16 924.93	17 650.29	19 415.31
Profit (Loss)	-3 873.91	-4 599.27	-6 364.29
Guest nights to break even	677	706	777

Salambala remains unprofitable in this scenario, although losses are slightly smaller than if guest prices had not increased. N//goabaca shows a profit for the first year only, and thereafter the loss increases. Kubunyana once again is the most profitable, as it does not start making a loss until year three. It would also be possible to cover the losses in year three with profits made in year one and two.

### Scenario 3

This seems a more realistic scenario, with guest prices increasing to N\$ 35.00 for camping and N\$ 60.00 for the tents at Kubunyana<sup>20</sup>. Incorporated into this scenario is an additional 10% on costs and a 20% growth of income over the three years, taken from Scenario 2 figures (Table 9).

**Table 10: Scenario 3**

<b>Scenario 3</b>			
<b>N//goabaca</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	14 042.42	16 850.91	20 221.09
Expenditure	9 209.30	10 130.23	11 143.26
Profit (Loss)	4 833.12	6 720.68	9 077.84
Guest nights to break even	307	338	371
<b>Kubunyana</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	24 456.56	29 347.88	35 217.45
Expenditure	14 465.75	15 912.33	17 503.56
Profit (Loss)	9 990.81	13 435.55	17 713.89
Guest nights to break even	489	538	592
<b>Salambala</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Income	18 271.43	21 925.71	26 310.86
Expenditure (high salaries)	16 045.71	17 650.29	19 415.31
Profit (Loss)	2 225.71	4 275.43	6 895.54
Guest nights to break even	642	706	777

In this scenario Kubunyana and N//goabaca show a high profit margin in each of the three years. Salambala shows a profit for each of the three years too.

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<sup>20</sup> On 1 November 2002 the rates at Kubunyana camp increased to N\$ 30.00 for camping and N\$ 70.00 for tents, and at N//goabaca to N\$ 35.00 for camping.

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