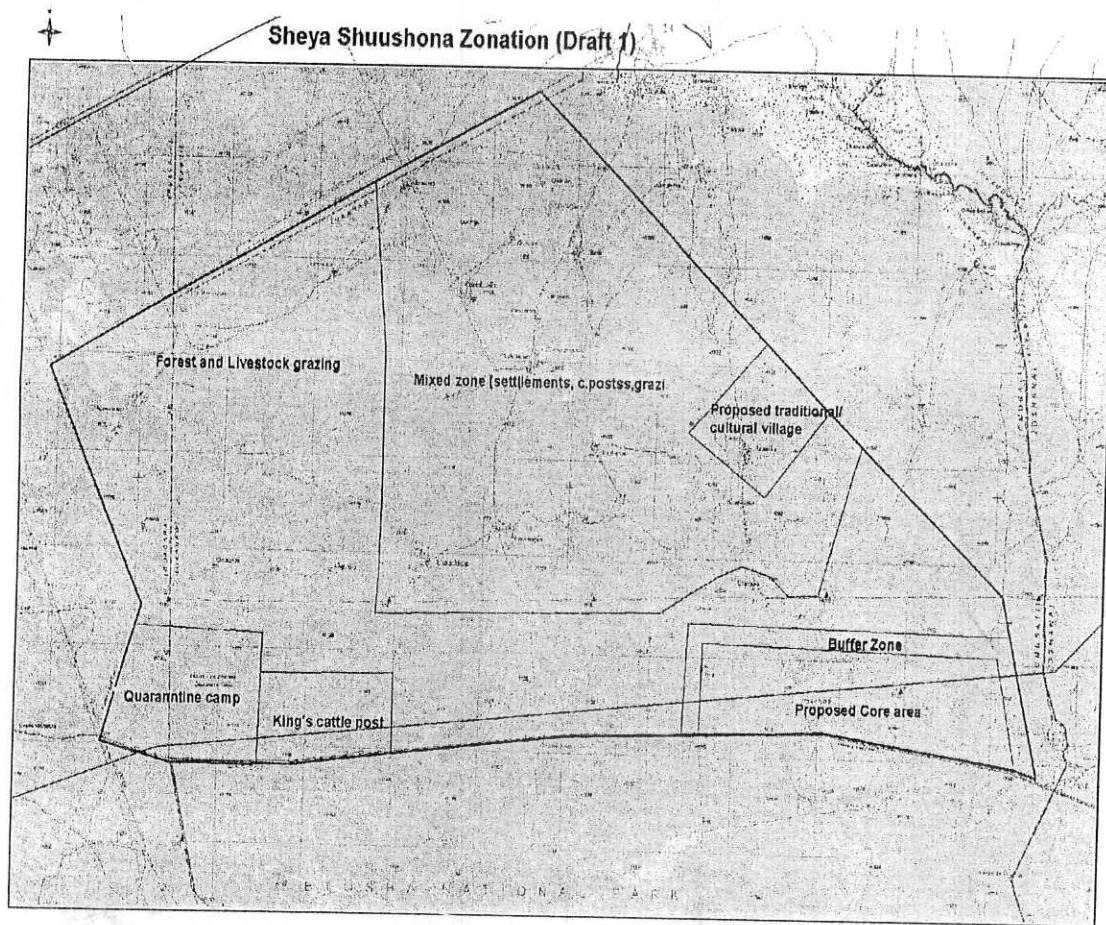


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Sheya Shuushona Conservancy Sustainable Business Plan



Victor Mufita
For ICEMA
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Acronyms

AGM	- Annual General Meeting
BEL WG	- Business, Enterprise Livelihood Working Group
CRIA-SA-DC	-Center for Research, Information and Action in Africa: Southern Africa Development and Consulting
ICEMA	- Integrated Community-Based Ecosystem Management Project
IEM	- Integrated Ecosystem Management
IRDNC	- Integrated Rural Development and Nature Conservation
JV	- Joint Venture
LAC	- Legal Assistance Centre
NACOBTA	- Namibia Community Based Tourism Association
NNF	- Namibia Nature Foundation
MET	- Ministry of Environment and Tourism

1. Introduction

Sheya Shuushona Conservancy registered in 2005; is situated in Omusati, north central Namibia. The conservancy has an approximate population of 35,352 people. Oshiwambo, Otjiherero, and San speaking people inhabit the area. It lies on a flat to mountainous area with woodland and grassland adjacent to the Etosha National Park covers an area of 5,066 square kilometers. Wildlife such as lions, Red hartebeest, hyena, elephants, Kudu, Duiker, Steenbok, and Springbok are among the dominant species.

The conservancy resource zoning exercise has been done and maps have been produced including the planned wildlife core area. Negotiation between conservation management committee and an investor for a joint venture hunting lodge development has reached an advanced stage. Resource Monitors (13) ¹² have been recruited and monitor uses on forestry resources and movement of wildlife in the conservancy. Awareness on HIV and AIDS and other social issues in the conservancy is being addressed and is making the desired impact.

The conservancy has benefited immensely from strong financial and technical support from the Rossing Foundation, the Ministry of Environment and Tourism, Namibia Nature Foundation under WWF-Life Plus and Legal Assistance Center.

The conservancy is managed by 100 members Management Committee comprised of representatives from 6 districts. The Management Committees elects 19 members Executive Committee comprised of 10 ^{women} men and at least 9 ^{men} women. The bigger decisions such as distribution of benefits, election of the management Committee are done at the AGM, which convened once every year or when it is needed.

The conservancy plans to establish a wildlife core area in demarcated zone and the re-introduction of key valuable wildlife species such as giraffe, eland, kudu, oryx, zebra, ostriches and buffalo in order to benefit from trophy hunting. Plans to development of joint venture hunting lodge with already identified investor (Safari Hoek) are also at advanced stage. Investor plans to invest N\$15 millions in infrastructure development.

The conservancy is endowed with natural resources that are of commercial value if correctively harvested and properly marketed to potential buyer. The

Kalahari melon seeds, devil's claws and marula oils are some of dominant products currently enjoying export status in Namibia from other communities and cooperatives.

This year conservancy gained yield from mopani shrimps by administering issuing of harvesting permit and monitoring harvester contributing N\$25,500 to the conservancy. Thus far, the conservancy generate only N\$42,290 from shoot and sell, a portion of 2007 hunting quota allocated to the conservancy with estimated value of N\$78 0000. The conservancy could not secure a hunting contract with professional hunter.

2. Vision and Objectives

To establish a conservancy for the betterment of the livelihoods of its people living within the boundaries in terms of education, economic and social benefits from natural resources

2.1 Objectives

- To create an environment conducive to the return of game to the Ongandjera area for future benefit of communities and their generations
- To develop tourism enterprises in the Sheya Shuushona in order to generate income for management of the conservancy and for the benefit of the community members.
- To protect flora and fauna from illegal activities, prevent deforestation and veld fires
- To manage and deliver socio-economic benefits from natural resources (wildlife and forestry resources etc)
- To manage wildlife and forest resources in Ongandjera in particular in the Sheya Shuushona and other natural resources in accordance with an approved management plan in a sustainable manner to maximize return of benefits to the communities.

3. Production (Business opportunities and income sources)

The conservancy has identified and plans to develop the following enterprises that are linked to the existing natural resources found in the conservancy. This will be done through current consortium with developmental agencies and joint venture partnerships or by the conservancy resources.

Product Type	Existing products	Potential Products
Wildlife Utilization	- Premium hunting - Trophy hunting - Shoot and sell	- Live Sales of game
Joint venture		- Hunting Lodge and Campsite in the wildlife core area
Activities		- Game drive - Cultural dancing activities
Natural products	- Harvesting mopane shrimps	- Devils Claws - Kalahari Melon Seed - Craft production and sales
Others		Organic Certification Product

4. Management

Management Committee consist of one hundred (100) members elected from all six districts throughout the Ongandjera area and three (3) members nominated to represent the Ongandjera Traditional Authority. Then Executive Committee that governs the conservancy elected from the Management Committee members.

A 19-member Executive Committee has been subdivided into three sub committees (Conservancy, Forestry and Advisory Sub-committee) to ensure that good governance principles are being practiced in the conservancy. The executive committee appoints the conservancy coordinator and other office bearers when it considers appropriate.

Committee and Sub-committee	Number of members	Key Responsibilities
Management Committee	100 (from the 6 districts under the jurisdiction of the Ongandjera Traditional Authority)	All members to participate as eligible members of the three sub-committees explained below
Executive Committee	19 (from the 100 in the Management Committee)	All members to participate as eligible members of the three sub-committees explained

		below
Conservancy Sub-committee	4 (from the 19 Executive committee members)	- To oversee all the day-to-day activities in the conservancy - Handle all operations issues that the conservancy might embark on
Forest Sub-committee	4 (from the 19 Executive Committee members)	Promote and ensure sustainable utilization of forestry resources
Advisory Committee	6 (from the 19 Executive Committee members)	To assist in the implementation of Sub-committee strategies at advisory level

The executive committee also oversees the management of conservancy enterprises. There is a dare need for training and executing of other capacity building exercise for the committees members and conservancy staff to enlighten them on their respective duties and responsibilities.

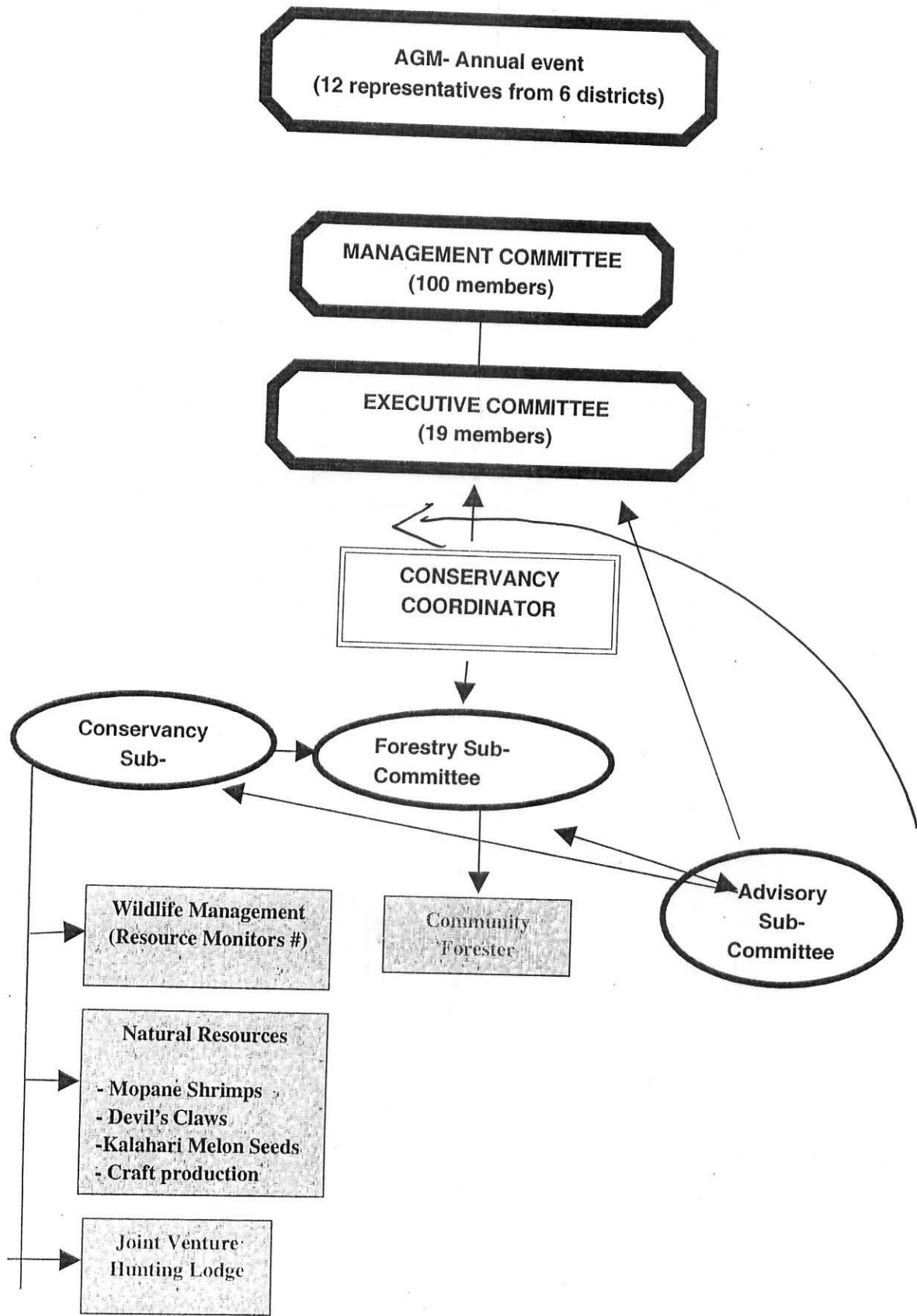
4.1 Conservancy Enterprise Management

Management of the income generating enterprises within the conservancy will vary. The conservancy decides on case-by-case basis, what the most appropriate form of management for each enterprise opportunity is. This could vary from conservancy owned and operated to completely outsourced enterprise.

Each enterprise business plan will be a guiding tool to enterprise operational procedures on which conservancy management base their decision on the type of management structure to be put in place.

NB: Advice is available regarding different forms of enterprise management from the business Enterprise and Livelihoods Working Group of NACSO.

4.2 Sheya Shuushona Conservancy Organogram



Firm members 18 members

4.3 Staff as of November 2007

Position	Number	Salary (N\$)	Total	Duties and Responsibilities
Conservancy Coordinator	1	1,000	1,000	<ul style="list-style-type: none"> - Overall responsibility for the day-to-day running of conservancy business. - Supervise all conservancy staff members. - Liaise with management committee on all matters related to any activities undertaken within the boundaries of the conservancy. - Write and present reports to relevant authorities. - Manage any joint venture agreements. - Liaise between the conservancy management committee and the outside world.
Resource Monitor Supervisor	1	500	500	<ul style="list-style-type: none"> - supervise and coordinate field resource monitor - Report progress or incidents to the conservancy coordinator
Resources Monitors	13	300	3 900	<ul style="list-style-type: none"> - Perform all duties as highlighted by the job description mainly on the protection of wildlife and their relationship with the community.
Total Per Month			N\$4 400.00	

4.4 Training

Capacity building for both Executive Committee and staff remains a high priority for the conservancy. Various training packages including the following courses have been proposed and financial as well as technical assistance are being pursued for their execution.

This will enable them to be competitive on this fast and ever changing business environment particularly in tourism, the hunting sectors and the need to continuously update information and techniques on wildlife management. The conservancy has identified the training need in the following course:

- A short course on sustainable harvesting and export of the devil's claw – offered by CRIAA
- A short course on roles and responsibilities – (!Nara and Rossing Foundation)
- A basic business course for conservancies – (by ICEMA)
- Financial management and administration
- Tourism awareness/Tourism general
- Training to improve marketing skills of trophy hunting on the regional, national and international market
- Professional trophy hunting guide training ✓
- Use of GPS and maps
- Training in water point operation and maintenance
- Training for game guards on the event book, predator identification, public relations (for better communication with community members during patrols)
- Sustainable harvesting and marketing of veld products e.g. Kalahari melon seed and other organic certification products
- Negotiation skills – for joint venture contract negotiations
- Conflict resolutions
- Minutes taking for the secretary, conservancy coordinator
- Reading financial reports and statements

It is hoped that these needs would be met to ensure a smooth implementation of conservancy's activities and programs. The training needs relating to trophy hunting are likely to be supported by Safari Hoek as part of capacity building of hunting contract.

5. Operational and Capital Costs

5.1 Operational costs

Costs associated with the day-to-day running of the conservancy like, but not limited to the following: Staff costs, annual game counts, fuels and oils, traveling and subsistence, repairs and maintenance, and administration expenses and all costs incurred on business development activities.

5.2 Benefit distribution

This will include the cost of providing direct and indirect benefits to the conservancy members in line with the Conservancy Benefit Distribution Plan.

5.3 Savings and Investments

These funds will cater for future business development efforts, as they will relate to the development of the conservancy.

5.4 Capital costs

All costs associated with the development of capital projects for the conservancy such as financing of wildlife core area and enterprises infrastructure development form both conservancy fund or donor agencies.

5.5 Sound business practices

Emphasis will be placed on prudent financial practices and high levels of professionalism as practiced by all business enterprises that do business in Namibia. Internal controls will be developed to limit the risk of error and fraud and enhance proper business conduct. Office bearers will undergo proper training on related areas of their responsibilities.

6. Competition and Demand

The Sheya Shuushona identified income generating opportunities will only be developed using sound business planning that assesses both competition and demand for each product. This will be the case for all potential enterprises, either developed by the conservancy and individuals as well as for joint ventures with investors.

Currently competition can be measured against income generating ventures within the conservancy:

Trophy Hunting

Ehrovipuka conservancy

Uukwaluudhi conservancy

Uukolonkadhi conservancy

Trophy hunting in the north central is still at its infancy. The conservancies in the area have to complement rather than competing each other to secure a reputable professional hunter or hunters. The professional hunter can be contracted by a consortium of two or more conservancies.

Natural products

Most natural products such as Kalahari melon seeds, devils' claw and marula oil are found in north central Namibia. Currently, they are harvested and sold at minimal scales, while the market demand increases in the internally.

7. Marketing

Products: The conservancy will use Sustainable Graph and the listed sources of income (products) as a guide to product development. This means that where income is projected from an additional product in a particular year, the conservancy will ensure that there are activities planned and financial resources made available to support the development of proposed product (see capital costs in income & expenditure table). This should be agreed upon during the AGM.

Promotion: Each individual enterprise is expected to have its own marketing and promotion strategies. Where a Joint Venture exists it is expected that the partners will take responsibility for all promotional activities and costs. The conservancy owned and operated enterprise, the manager (with support from conservancy and support agencies) to develop and fund an appropriate promotional activities.

Public Relations: The conservancy staff, members and associated partners are to undertake to raise the profile of Sheya Shuushona Conservancy wherever they are in public meetings or forum. Firm affiliation to NACSO will enhance conservancy image into the mainstream of the Namibia and international tourism.

Price: Appropriate product market price will be set by either joint venture partners or conservancy in line with each individual enterprise business plan.

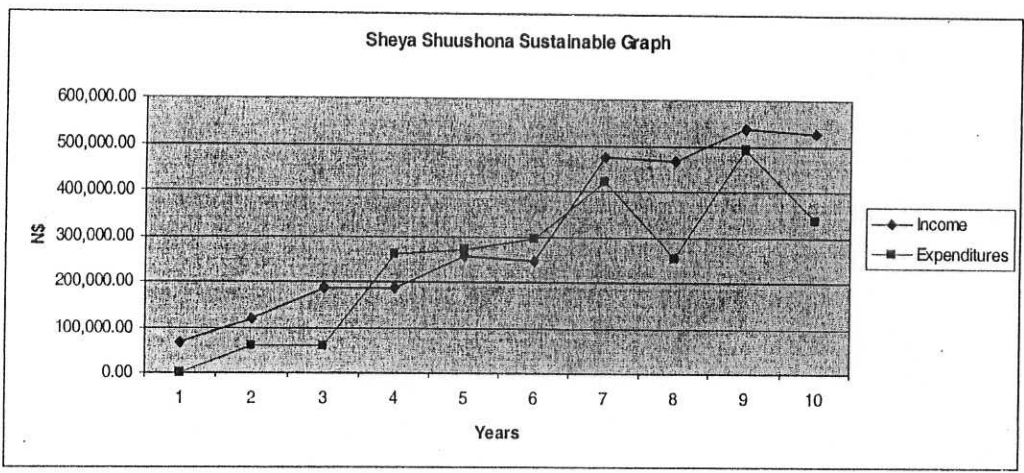
8. Financial Projections

Below is the Sustainability Graph that shows the actual and projections for Sheya Shuushona Conservancy in next ten years taking into account the expected income and expenditure from all potential income generating ventures.

The sustainability graph below shows the projected conservancy income and expenditure over the next 10 years from the financial year ending March 2007-2016. This graph will be used as a tool for the conservancy to use in managing their financial situation with the aim of reaching their objectives and sustaining the conservancy.

The sustainability graph shows a gradual increase in projected annual income from the current amount of N\$67,290 in 2007 to N\$527 539.74 in 2016. It also shows an increase in operational costs in line with the conservancy investment in infrastructure development and management responsibilities. However, the overall trend is for an increasing "gap" between Income and the Operational Cost component of expenditure, which results in an increasingly large amount of money available for Benefits Distribution every second year as from 2011 and stead savings & investments line.

Note: The graph shows projected income from different sources as well as projected expenditure. Income and expenditure is shown as two lines on the graph. At the moment these two lines demonstrate the difference between projected income and projected operational costs (expenditure). The gap between the two lines represents the amount of money that is available for both Benefit Distribution and Savings and Investments. The conservancy has benefit distribution plan in place and its investments, especially those investments intended to be financed from its own resources, need approval from Management Committee and endorsement of Annual General Meeting.



The income projections are made given certain assumptions. These assumptions are captured under the Comments below.

8.2 Sheya Shuushona Income and Expenditure Projections

INCOME	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Trophy hunting		78,840.00	98,840.00	118,840.00	138,840.00	158,840.00	270,028.00	290,028.00	310,028.00	330,028.00
Shoot & Sell	42,290.00	39,420.00	49,420.00	59,420.00	69,420.00	79,420.00	135,014.00	145,014.00	155,014.00	165,014.00
Craft and Cultural Activities		800.00	960.00	1,152.00	1,382.40	1,658.80	1,990.66	2,388.79	2,866.54	3,439.85
Kalahari Melon seed		750.00	862.50	991.88	1,140.66	1,311.70	1,508.52	1,734.80	1,995.01	2,294.27
Mopane Shrimps	25,000.00		30,000.00	40,000.00			40,000.00		40,000.00	
Hunting Lodge- Lease Agreement										
Devil's Claws			5,690.00	5,832.25	5,978.06	6,127.50	6,280.70	6,437.71	6,598.66	6,763.62
TOTAL INCOME	67,290.00	119,810.00	185,772.50	186,236.13	256,761.11	247,358.14	474,821.87	465,603.30	536,502.20	527,539.74
Expenditure	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Operational costs						133,056.00	159,667.20	191,600.64	229,920.77	275,904.92
Benefit distribution					100,000.00		200,000.00		100,000.00	
Savings and Investments		50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Capital costs						100,000.00			100,000.00	
Asset Depreciation & Contingency		10,000.00	10,000.00	10,000.00	10,000.00	10,000.00				
TOTAL EXPENDITURE		60,000.00	60,000.00	260,800.00	270,880.00	293,056.00	419,667.20	251,600.64	489,920.77	335,904.92
Bank Account	67,290.00	59,810.00	125,772.50	-74,563.88	-45,697.00	86.00	55,154.67	214,002.66	191,634.87	165,014.00
Bank cumulative amount	67,290.00	127,100.00	252,872.50	178,308.63	164,189.74	118,491.00	173,646.55	387,649.21	434,230.60	625,865.40

Comments on the income and expenditure projection table above:

The graph above should be understood within the context of the following comments:

- Resource Monitors allowances are very low when compared to the national minimum earnings and the conservancy has therefore decided to adjust the allowances by 10% from the financial year ending March 2009- 2015
- Income from "devil's claw" is expected to remain constant. The conservancy needs guidance on application for harvesting permit and other related document. CRIA-SADC is willing to assist in this regards.
- The donor contribution to wildlife core area and water infrastructure development is expected.
- Donor contribution to operational costs will phase out in 2009 and the conservancy is expected to fill that gap with additional income from hunting and sale of the natural resources
- Hunting income (Income from trophy and shoot & sell) is expected to increase dramatically in 2013 as hunting is expected to start in the core area that year.
- Harvesting of mopane shrimps is unpredictable as it depends mainly on weather phenomena. Therefore income is projected to come in every second year.
- The conservancy plans to invest about N\$200 000.00 for the development of access roads in the wildlife core area.

9. Performance Monitoring and Indicators

The conservancy will develop appropriate monitoring systems for all business enterprises, with the assistance of support from agencies and consultants.

All identified revenue lines will have its own monitoring systems that will ensure transparency, accountability and sound corporate governance practice. When joint venture partnership is sought, a mutually agreed monitoring system ought to be developed in line with the enterprise business strata. There is need for the formation of a monitoring committee that will be made up of the management committee members and the joint venture partners. The sole responsibility of this

committee is to ensure that there is fairness in the distribution of funds and that all business activities are done to the interests of both parties.

All relevant information pertaining to performance will be gathered and analyzed, to facilitate any action that need to be taken to ensure business growth and benefits accumulation to the conservancy community. Meetings need to be conducted at least quarterly by the monitoring committee, where analysis and decisions will be taken at such meetings.

There will also be a need to undertake an annual business review, by independent consultant to assess the progress of each of the enterprises as well as the overall performance of the conservancy at large. The main aims of this review will cover the following areas;

- To undertake a detailed evaluation exercise for each enterprise using the feedback from the monitoring system
- To review progress to date on all new and already existing enterprises.
- To perform the annual budget preparation process
- To do a position audit and deliberate on the development plan.
- To identify any new enterprises, new products, emerging talent, and benefits in the conservancy