

Poverty, Inequality and Environment Series No 1

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

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

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## **ACRONYMS**

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

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# ***1. INTRODUCTION***

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

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

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

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

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

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

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

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

## **1.2 Structure of the Report**

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

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

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

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

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

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

### **2.1 Introduction**

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

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

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

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

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

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

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

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

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

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

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

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

## 2.3 The Current Status of the Namibian Tourist Industry

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

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

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

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

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

## 2.4 Community Involvement in the Tourism Industry

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

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



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

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

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

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

## **2.5 Private Sector Investment in Communal Lands**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3.1.3 Nature Conservation Amendment Act, 1996.

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

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

### 3.1.4 Promotion of Community Based Tourism

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

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

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

### 3.1.5 Draft Tourism Policy

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

### 3.1.6 Communal Land Policy

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

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

## 3.2 Institutional Framework

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

### 3.2.1 Government Ministries and Departments

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

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

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

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

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

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

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

### 3.2.2 Non-Governmental Organisations

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

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

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

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

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

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

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

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

### 3.2.3 Community-based Organisations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

However, the many policy changes since independence as detailed in the previous chapter have meant that relationships between private sector and communities are changing. As rights to land and wildlife resources are increasingly being devolved to the local level, the private sector is recognising the need to work with local people and acknowledging their central role in maintaining cultural and natural heritage – assets which attract tourists (Ashley and Roe 1998). Where previously private operators could negotiate with government ministries for access to tourism resources on state or communal land they now find themselves in the position of having to deal directly with communities. For this reason they have started to pursue the option of partnerships with communities.

Other factors that may explain the private sector's increasing interest in partnerships include:

- As tourism grows in the region so it is necessary for private operators to seek new opportunities in new areas – notably on land controlled by local communities.
- Market trends are demanding increasingly sophisticated and varied products. Partnerships with communities offer the potential to utilise communal resources and create unique selling points able to attract market demand.
- Entering into an exclusive agreement with a local community is a way of ensuring exclusive access to a particular area and hence enhancing the quality of the product.
- Ensuring local people benefit from tourism is a way of reducing hostility to tourists and hence increasing the security of the enterprise as well as providing an incentive to manage the resource base upon which the tourism product depends.
- The increasing strength of the "fair trade movement" and ethical consumerism means that many tourists want to be assured that a proportion of the cost of their holiday is reaching local people.
- A visible commitment to working with local communities is strategically important, particularly in a post-independence political climate.

Similarly the same policy changes are opening the way for communities to benefit more from tourism and more and more are actively seeking to enter into partnerships with private companies. As with the private sector, this wide variation of type and circumstances of different communities may result in a variety of motivations for entering into partnerships including:

- Other individuals or communities have already been seen to benefit from tourism.
- There is a potential for "cashing in" on newly acquired rights to land and wildlife resources rather than just using them for subsistence purposes.
- Natural resources are not enough: to develop a viable tourism product communities need access to skills, capital and marketing links – assets that the private operator has.
- Partnerships present an opportunity for empowerment and to exercise rights.
- Tourism represents an opportunity to revitalise traditional knowledge or cultural practices.
- Partnerships can represent an easy form of benefits as they may require only passive involvement (authorising the rights to conduct an activity to the private sector).

At the same time rural development agencies and conservation organisations including government departments, NGOs and donor agencies in Namibia are increasingly recognising that tourism offers a potential win-win scenario for both local development and biodiversity conservation. Namibia is a signatory to the Convention on Biological Diversity (CBD), which obliges it to ensure that the Convention's key objectives of conservation, sustainable use and fair and equitable benefit sharing are upheld. Giving communities power to negotiate with the private sector, through the devolution of rights to tourism assets and advice on how to use that power, is a mechanism for ensuring that they get a better deal out of biodiversity.

For this reason tourism partnerships are being pushed by these agencies and NGOs through the national community-based natural resource management (CBNRM) programme as a way of accessing private sector financing for rural development, thus making the new conservancies financially viable and self-sustaining. Government agencies, principally the DEA, as well as development and conservation NGOs are stimulating the move towards more formal partnerships by acting as facilitators or advisors to communities.



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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Case Study 1**

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

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

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

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

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

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

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

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

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

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

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

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

### **Benefits from Hunting Agreements**

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

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

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

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

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



## Case Study 2

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

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

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

#### Lizauli Traditional Village

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

#### Bed Night Levy

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

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

#### Development of Lianshulu Community Camp Site

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

#### Other Agreements

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

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

### **Benefits to Lianshulu Lodge**

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

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

## Case Study 3

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

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

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

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

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

#### Key points of the TAS Contract

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

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

#### Learning from the Experience

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

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

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

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

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

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

The guidelines include the following key clauses:

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

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

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

## Case Study 4

### Who Decides? The Aba Huab Bush Camp

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

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

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

#### The Partnership

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

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

#### What Went Wrong?

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

## Case Study 5

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

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

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

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

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

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

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

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

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

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

## Case Study 6

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

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

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

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

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

#### *Company Inputs:*

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

#### *Community Inputs:*

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



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

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

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

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

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

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

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

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

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

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

## Case Study 7

### Crafts: Linking Rural Producers with Markets

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

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

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

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

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

##### *Partnerships with Tourism Lodges*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 6. TOURISM PARTNERSHIPS – KEY INGREDIENTS FOR SUCCESS

### 6.1 Defining Success

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

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

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

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

### 6.2 Community Characteristics

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

#### 6.2.1 Community Size

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

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

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

Source: Jones 2000.

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

#### **Conclusions/Recommendations**

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

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

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

### **6.2.2 Institutional Structure**

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

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

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

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

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

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

#### **Conclusions/Recommendations**

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

### **6.2.3 Type and Value of Tourism Assets**

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

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

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

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

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

#### 6.2.4 Experience and Understanding of Tourism

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

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

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

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

#### 6.2.5 Dependence on Tourism

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

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

### 6.2.6 Skills Base

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

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

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

#### Conclusions/Recommendations

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

### 6.2.7 Lifestyle

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

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

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

#### Conclusions/Recommendations

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

## 6.3 Private Sector Characteristics

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

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

### 6.3.1 Involvement/Commitment of the Company

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

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

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



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

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

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

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

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

### 6.3.2 Previous Tourism Experience

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

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

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

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

### 6.3.3 Track Record in Working with Communities

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

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

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

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

**Conclusion/Recommendation**

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

**6.3.4 Type of Tourists Targeted**

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

**Conclusions/Recommendations**

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

**6.3.5 Mode of Operation**

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

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

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

**Conclusion/Recommendation**

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

## 6.4 Type of Product or Service

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

### 6.4.1 Hunting or Tourism or Both?

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

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

Costs of running a conservancy can be considerable (N\$137,000 in Torra Conservancy) so that a combination of tourism and hunting may be needed to generate sufficient revenues to make wildlife management worthwhile. Given the need to differentiate tourism products it may be easier for a community to generate revenue through combining tourism and hunting than through allowing development of more than one tourism venture in its territory. It also has the advantage of diversifying risk, as the hunting market and the tourism market are likely to be driven by different factors. If the tourism market collapses one year, it is unlikely that the hunting market will also and vice versa.

#### Conclusions/Recommendations

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

### 6.4.2 Crafts

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

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

#### Conclusions/Recommendations

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

### 6.4.3 Outsourcing and support services

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

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

#### Conclusions/Recommendations

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

## 6.5 Formal Ownership of the Partnership Enterprise

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

### 6.5.1 Privately Owned

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

### 6.5.2 Jointly Owned

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

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

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

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

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

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

### 6.5.3 Community owned

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

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

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

#### Conclusions/Recommendations

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

## 6.6 The Negotiation Process

### 6.6.1 Community Preparation

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

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

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

#### **Conclusion/Recommendation**

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

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

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

#### *Auctions*

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

#### *Tendering*

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

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

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

### *Direct Negotiation*

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

#### **Conclusions/Recommendations**

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

### **6.6.3 Formalising the Partnership**

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

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

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

#### **Conclusions/Recommendations**

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

### **6.6.4 The Role of Facilitation**

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

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

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

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

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

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

#### **Conclusions/Recommendations**

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

## **6.7 Key Components of the Agreement**

### **6.7.1 Financial Components**

#### *Payment Structure*

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

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

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

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

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



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

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

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

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

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

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

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

#### Conclusions/Recommendations

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

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

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

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

#### Determining How Much the Overall Package Should Be

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

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

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

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

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

The LIFE Project believes that five full-time staff positions will be the minimum number necessary for a conservancy to effectively manage natural resources. In addition, a conservancy would need to maintain a vehicle and hire casual labour for maintenance. LIFE estimates that the running costs of a conservancy would thus come to US\$28,000 a year equal to about N\$168,000 (Callihan 1999). This is comparable to the current running costs of the Torra Conservancy (N\$137,000).

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

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

#### **Conclusions/Recommendations**

The community needs to weigh up all the costs in maintaining wildlife, not just the running costs of the conservancy but also other types of cost such as increased risk of crop and livestock damage and opportunity cost of land use.

Inviting bids from several companies through auctions or tendering is the best way of finding out how much companies are willing to pay for land, hunting and tourism rights and whether payments are an adequate match for the costs associated with wildlife.

If the agreement involves restrictions on other tourism development within a certain radius, the community should be rewarded for this.

### **6.7.2 Non-Financial Components**

#### ***Employment and Training***

Employment opportunities for community members are generally a major benefit of tourism partnerships. While the company has to incur some costs of training, the use of local people is likely to result in lower staff turnover. This is the case for Lianshulu Lodge. However, positions occupied by local people are often the most unskilled, with more skilled and management positions being held by outsiders. While there may be no alternative to this in the initial years of an operation, the extent to which the situation changes in later years will depend on the commitment and interest of both sides.

If this is an important issue for the community, then a sunset clause for employment of non-locals or agreed targets for the employment of locals in certain types of position e.g.: tourist guides, junior, middle and senior management needs to be incorporated in the agreement. The Damaraland camp agreement for example states that non community members may be appointed temporarily with the aim of training community members for such positions but the definition of temporary is left open. Schedules need to be realistic and also allow for the fact that the ability and commitment of individuals may vary. Thus even after five years it may be the case that no local is suitable for a certain level of management. A joint management committee (discussed below) can provide a forum for reviewing and amending targets.

**Conclusion/Recommendation**

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

**Recruitment**

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

**Conclusions/Recommendations**

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

**Determining a fair wage**

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

**Conclusions/Recommendations**

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

**Restrictions on land use**

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

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

**Conclusions/Recommendations**

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

**6.8 Length of Contract**

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

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

The contract between Wilderness Safaris and Torra Conservancy allowed the latter to terminate the agreement if the company failed to achieve an average occupancy rate greater than 25% after the second year of operation.

extent on the type of operator and its ability to quickly build up clientele and turn a profit. In Namibia, the Lianshulu Lodge lease is long at 25 years compared to the three other government-granted concessions (Hobatere, Palmwag and Etendeka) which all operate on a 5 year rolling contract. The 25-year contract

proposed by Lerato was also considered “too long” by the communities approached and an alternative of 15 years was proposed to Lerato. The contract between Wilderness Safaris and Torra Conservancy runs for 10 years with the option of extending for a further 5 years and this is probably a good model – long enough to provide security on any investment but not so long as to lock either side into the venture and prevent them from responding to changes within the tourism industry.

However, a community might rightfully feel doubtful about entering into an agreement for more than a couple of years with a company that has a limited track record and doesn’t have the security a well-established reputation brings. In these cases it would be more advisable to opt for a shorter-term contract but with an option for the operator to renew built in, dependent on performance. Whoever the operator is, conditions change and long-term contracts should include escape clauses allowing either side to terminate the contract if necessary.

In Botswana, in order to protect communities from unscrupulous operators, the government specified that joint venture contracts should follow a 1-1-3-5-5 pattern: one probationary year, followed by one more, followed by three years and then two five year leases. This meant that at the end of year one, two, five and ten, the community could choose to change joint venture partners. However, this had unintended effects. Not only did it make companies reluctant to invest in case the agreement was cancelled after one or two years, but it also created a climate ripe for corruption where community leaders could demand bribes from joint venture partners in return for lease renewal. (Boggs 1999).

Hunting enterprises require little or no capital investment and therefore security is not such a critical issue. Nevertheless there are still significant transaction costs incurred on both sides in the tendering process and negotiating contracts so a multi-year contract is preferable to an annual contract. In Namibia the hunting contracts currently negotiated with conservancies are for three years but with annual renegotiations since wildlife quotas are awarded annually.

#### Conclusions/Recommendations

Tourism contracts should be long enough (10-15 years) to provide security on investments but not so long as to lock either side into unfavourable conditions. Escape and renewal clauses should be built into contracts to enhance to security of both sides. Hunting contracts should be agreed on a multi-year basis but with an annual negotiation to allow for changes in wildlife quota.

## 6.9 Additional Clauses

As mentioned above, all contracts should have an escape clause to allow either party to terminate the contract if conditions change but equally there should be a clause which allows for enforcement of contract conditions should any breach occur. This should ideally include mediation by an independent outsider to prevent any arguments about whether a breach has in fact occurred.

Contracts should also include a clause on accountability and transparency – especially for agreements which are based on the community receiving a percentage of room rates or turnover so that there can be no disagreement about how the figures are calculated – experience has shown that one persons definition of room rates may be very different from another’s!

In the case of the agreement between Intu Afrika and the San, both sides accused each other of breaching the contract and the situation became so confused with accusations flying from both sides to the extent that agreement could not even be reached as to whether or not the agreement still existed.

Contracts should also make provision for the establishment of a joint liaison committee or joint management committee (JMC) comprising representatives from both parties. The specific role of the JMC will vary from case to case depending on the nature of the enterprise, but the overall role of the JMC should be to ensure that the interests of both parties are adequately represented in the running of the partnership.

Communities also need from a clause protecting them from inflation or from exchange rate changes – particularly in establishments that cater for overseas tourists. If, for example, tourists are paying hunting fees in US dollars then the contract should also set prices in US dollar equivalents to protect against exchange rate changes. This is already a common feature of the hunting agreements with the established conservancies.

#### Conclusions/Recommendations

Contracts should include clauses covering breach of contract; accountability and transparency; the establishment of joint management committees and exchange rate changes.

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Poverty, Inequality and Environment Series No 1

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

***Volume II  
Practical Action: Guidelines for the  
Development of Private Sector –  
Community Partnerships***

Dilys Roe  
Maryanne Grieg-Gran  
Wouter Schalken

June 2001

IIED in association with NACOBTA

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## *Acronyms*

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

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# 1. INTRODUCTION

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

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

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

These guidelines aim to provide advice on how both parties can get a good deal from the partnership rather than one side at the expense of the other. They set out the questions both sides to the partnership, community and private sector should consider at each stage of the negotiation process and the reasons why these issues are important. Separate guidelines have been prepared for communities and companies but inevitably there is some overlap between the questions each side must ask. A summary table is presented first and then the more detailed step by step guidelines – first for communities (or their representatives) and then for the private sector – including:

- Identifying a partnership opportunity
- Finding out about prospective partners
- Selecting partners
- Getting assistance
- Negotiating the financial components
- Negotiating non-financial components
- Deciding on the duration of the partnership
- Formalising the partnership
- Monitoring, reviewing and amending the deal

Volume I of this study is a background report which describes the increasing involvement of local people in the tourism industry in Namibia; the policy and institutional framework that supports private sector – community partnerships; the rationale behind, and characteristics of, such partnerships – both in general terms and within Namibia; and the key ingredients are for successful partnerships – that is, ones that meet the expectations of both sides.

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

## Developing Private Sector-Community Tourism Partnerships in Namibia

Steps to Follow	Points to consider	
	Community	Company
<b>1. Identifying a partnership opportunity</b>	<p><i>Have we got what it takes?</i></p> <ul style="list-style-type: none"> <li>• How does tourism compare with other land uses?</li> <li>• What are our land use priorities?</li> <li>• What tourism assets do we have?</li> <li>• Do we want hunting or tourism or both?</li> <li>• How much will it cost?</li> <li>• Do we have the capacity ?</li> </ul>	<p><i>Have we got what it takes?</i></p> <ul style="list-style-type: none"> <li>• Are we prepared for face-to-face meetings with the community?</li> <li>• Do we have someone with personal commitment to make this work?</li> <li>• Do we have experience working with communities or do we need to get someone in to help?</li> </ul>
<b>2. Finding out about prospective partners</b>	<p><i>Is the company likely to be suitable?</i></p> <ul style="list-style-type: none"> <li>• Does it have a track record in tourism development?</li> <li>• Does it have experience of working with communities?</li> <li>• Can it produce a sound business plan ?</li> </ul>	<p><i>Is the community likely to be suitable?</i></p> <ul style="list-style-type: none"> <li>• Is it too big?</li> <li>• Does it have any previous tourism experience?</li> <li>• Does it have a strong institutional structure?</li> <li>• How dependent is it on tourism?</li> <li>• What is the skills base like?</li> <li>• Does it have access to external support and/or facilitation?.</li> </ul>
<b>3. Selecting partners</b>	<p><i>How can we make sure we get the best partner?</i></p> <ul style="list-style-type: none"> <li>• Competitive tendering?</li> <li>• Auction?</li> <li>• Direct, one-to-one negotiation?</li> </ul>	<p><i>How can we make sure we get the best partner?</i></p> <ul style="list-style-type: none"> <li>• Are there any other communities with similar tourism assets?</li> <li>• Do they meet the suitability criteria above?</li> <li>• Are there any other companies bidding with the same community?</li> </ul>
<b>4. Getting assistance</b>	<p><i>Do we need expert help?</i></p> <ul style="list-style-type: none"> <li>• A facilitator who knows the tourism business?</li> <li>• Legal advice?</li> <li>• Help determining a fair return?</li> </ul>	<p><i>Do we need external help?</i></p> <ul style="list-style-type: none"> <li>• A facilitator who understands community concerns?</li> <li>• Someone who speaks the local language?</li> </ul>
<b>5. Negotiating the components of the deal</b>	<p><i>What do we need to think about in the deal?</i></p> <ul style="list-style-type: none"> <li>• Who should own the enterprise – us them or joint?</li> <li>• If them, do we get a say in the management?</li> <li>• Should we opt for a fixed payment or a more risky but potentially more lucrative success-linked structure?</li> <li>• What are the minimum costs we need to cover and then how much more on top should we expect?</li> <li>• Are our payments fair and protected against inflation etc?</li> <li>• Are we getting a premium for allowing exclusive use?</li> <li>• How many people will be employed and in what sort of jobs?</li> <li>• Who decides about recruitment?</li> <li>• How much will employees get paid?</li> <li>• Should there be a minimum payment clause?</li> </ul>	<p><i>What do we need to think about in the deal?</i></p> <ul style="list-style-type: none"> <li>• Who should own the enterprise – us them or joint?</li> <li>• If them, do we get a say in the management?</li> <li>• Does the community understand the implications of different types of payment options?</li> <li>• Are we paying the community enough to at least cover their costs – direct and indirect?</li> <li>• Do they understand how the overall value of the deal has been calculated?</li> <li>• Have we ensured payments are fair and that easily verifiable by the community?</li> <li>• Does the community understand the implications of granting us exclusive use?</li> <li>• Does the community have realistic expectations about how many people we can employ and in what type of jobs?</li> <li>• Have we ensured an appropriate community structure is involved in recruitment?</li> <li>• Are we paying a fair wage compared to other enterprises?</li> </ul>
<b>6. Deciding on the duration of the partnership</b>	<p><i>Are we in this forever?</i></p> <ul style="list-style-type: none"> <li>• What is the normal length of a contract for a tourism or hunting enterprise?</li> <li>• Can we get out of the contract if the company fails to perform?</li> <li>• Can we have a renewable contract clause ?</li> </ul>	<p><i>How long a contract can we secure?</i></p> <ul style="list-style-type: none"> <li>• Does the community understand we need security in terms of a reasonable length contract if we are to make significant capital investment?</li> <li>• Can we balance our need for security with the community's wish for flexibility in the face if uncertainty?</li> </ul>
<b>7. Formalising the partnership</b>	<p><i>How can we prevent any misunderstanding?</i></p> <ul style="list-style-type: none"> <li>• <b>Have we got it in writing?</b></li> <li>• Are the rights and responsibilities of both sides clearly understood and agreed?</li> </ul>	<p><i>How can we prevent any misunderstanding?</i></p> <ul style="list-style-type: none"> <li>• <b>Have we got it in writing?</b></li> <li>• Are the rights and responsibilities of both sides clearly understood and agreed?</li> </ul>
<b>8. Monitoring, review and amending the deal</b>	<p><i>How can we ensure we continue to get a fair deal?</i></p> <ul style="list-style-type: none"> <li>• Can we access company records?</li> <li>• Is there provision for a Joint Management Committee?</li> <li>• Does the contract allow for changes to the deal ?</li> </ul>	<p><i>How can we reassure the community it is getting a fair deal?</i></p> <ul style="list-style-type: none"> <li>• Are we being transparent with our accounting and reporting to the community?</li> <li>• Is there provision for a Joint Management Committee?</li> </ul>

# Community Guidelines

These guidelines are aimed at assisting communities and organisations advising them as they consider whether and how to go into partnership with a private company. For many of the issues there are no clear cut answers or universally best course of action, it is a case of the community understanding what the various options are, and assessing its own priorities. The questions set out below for each stage of the partnership process are designed to assist this process of analysis and priority setting.

## 1. Identifying a partnership opportunity

- What land use options are available and what are their likely returns in comparison to tourism?
- What are the priority land uses for the community?

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

- What tourism assets does the community have to offer? - Are these found anywhere else in Namibia? Are they located near tourism routes or near a national park?

*The value of tourism assets varies according to the characteristics of the resource in particular uniqueness and location. Communities need to understand the value of their tourism assets. Again, conservancy tourism development plans can provide the answers here.*

- Can hunting and tourism be operated simultaneously without conflict? Do community members want both types of activity?

*Combining hunting and tourism will generate more revenues to cover the costs of running a conservancy or similar institution and will diversify risk. However, in order to be successful these activities require very careful planning.*

- What costs are involved in managing wildlife e.g running the conservancy, wildlife crop and livestock damage and indirect costs of foregone land use?

*This is important to establish how much revenue the community needs to generate at a minimum from its partnership arrangements in order to cover its costs.*



*Land use priorities need to be established*

## 2. Finding out about prospective partners

- Does the company have any previous tourism (or hunting) experience? If not what measures does it propose to take to address this – eg hiring experienced manager?

*There is a higher risk of failure of the business enterprise and hence the partnership, if the company does not have any previous tourism (or hunting) experience. If a community goes into a partnership with a company of this type it should consider ways of reducing the risk to itself in the negotiation of the deal eg fixed monthly payments rather than dependent on turnover or profit (see below).*

- Has the company worked with communities before? If not, what measures does it propose to take to address this?

*A company that has had a successful partnership with another community is likely to be a good prospect. If a company has no track record of working with communities, it is important for it to be willing to take advice from or use facilitation services of community development organisations.*

### 3. Deciding how to select partners

- Is the community responding to an approach from a company or looking for a private sector partner for an identified tourism/hunting opportunity? If the former, can other companies be approached? If the latter, can several companies be invited to bid?

*Inviting proposals from more than one company encourages competition and allows the community to compare different proposals. It can therefore get a better idea of what a good deal is and will help in identifying an accurate current market value for their tourism assets.*

- Can the services/assets being marketed and the benefits required from the company be expressed simply eg provision of training for X community members in activity Y plus financial bid for hunting rights?

*Where the services being marketed can be expressed simply, public auctions can have advantages of transparency and reduced time and cost of preparation and assessment on both sides. A pre-qualification process will ensure that only companies acceptable to the community are eligible to bid at the auction. A reserve price based on the preparatory analysis of land use options and costs will protect against collusion amongst bidders to keep the price low.*

- Is one-to-one negotiation, rather than competitive tendering or auctioning, the only feasible option for a particular partnership eg a good neighbours arrangement? If so has the community prepared itself for negotiation?

*Where there is only one potential partner and hence no alternative to direct, one-to-one, negotiation, community preparation is essential. The community needs to consider what it can offer the enterprise eg protecting wildlife and habitat and what it requires from the company in return for this service.*

### 4. Getting assistance

- What type of external assistance is needed to ensure a good deal?
- Which organisations can help?

*Communities who have not negotiated tourism partnerships should always seek independent, external assistance to ensure a fair deal is reached. Even those with previous tourism experience should make use of the wider range of expert advice and assistance that is available. NACOBTA, IRDNC and LIFE have all helped facilitate deals between individual communities or conservancies and private companies. WIMSA is a support group for San people that has also been involved in tourism negotiations. Economists from the DEA in the Ministry of Tourism have been involved in establishing fair payments eg bed night rates. The Legal Assistance Centre can ensure that contracts are sound and can provide advice in the event of any breach of contract. Other conservancies that have already negotiated agreements can also share experience and provide advice.*

*Future support for conservancy requests for assistance with JVs will be co-ordinated by NACOBTA together with LIFE and other implementing partners (e.g IRDNC, RISE).*

### 5. Deciding on ownership of the venture

Before entering negotiation or going through a tender/auction process, the community needs to consider the following issues:

- Whether it wants to formally own part of the enterprise and why (for financial reasons or non-financial reasons).
- How much involvement in management it wants.
- How much risk i.e. variation in income it can live with.
- How important financial components are relative to non-financial ones.

No ownership structure is necessarily better than any other. Much depends on the circumstances, capacities and priorities of each community.

If **financial returns** are the most important for the community, then **formal ownership by the company**, at least at the outset, is likely to be a good arrangement in most cases. This is because it enables the company to concentrate on what it does best, ie secure finance for the venture and manage it. However, a number of issues need to be considered by the community:



- Is the community happy to leave management of the venture to the company or does it expect to have some involvement if not at the outset then at least later on?

*If involvement of community members in managing the enterprise is desired, explicit provision for this and for the necessary training needs to be made in the agreement. The community should recognise that this may be at the expense of financial returns from the agreement because of costs of training and on-the-job learning.*

- Does the community want the option of an ownership stake later on once it has acquired some experience and observed the performance of the enterprise?

*A commitment to review the ownership of the enterprise at a specified date or to allow the community to exercise an option to buy into the enterprise after a specific number of years can be incorporated in the agreement.*

An alternative option to formal ownership of the enterprise by the company is **joint shareholding** between the company and community. If this is to be the case there are some different issues for the community to consider:

- Do community members understand the implications of shareholding? Income will vary depending on the profits made by the enterprise, that in some years, particularly at the beginning, they may receive nothing.

*If variation in income is a problem the community could propose a hybrid arrangement – a mix of shareholding and payments linked to turnover and/or an annual fixed payment – to ensure some minimum income for the community even in the initial years.*

- Is it clear what each side is putting into the partnership and how it is being valued, in return for its shareholding?

*Calculation of the contribution from both sides involves a certain amount of subjectivity and specialist input. The community will need assistance in checking that the equity share it is offered by the company is reasonable.*



*The value of various tourism assets needs to be clearly understood*

- Will community members be easily able to check the calculation of how much they receive in dividend payments?

*Access to company accounts needs to be explicit in the agreement. Community members need to have the capacity to understand the accounts and decisions made on dividends or have access to assistance on this. If community members do not have this capacity and if assistance is not likely to be available for the duration of the contract, they should consider simpler financial and ownership arrangements.*

- Will joint ownership translate into the degree of management involvement that the community wants and expects?

*The community needs to be explicit about how much involvement in management it wants. Ways of accommodating this need to be discussed in the negotiations and measures such as a phased training programme incorporated in the agreement.*

If **ownership rather than financial revenue** is the priority for the community rather than simply financial returns the third option is **sole ownership** by the community. Again, there are a number of issues to be considered:

- Do all community members have realistic expectations of income and employment generation from a community-owned venture? – Have they compared the returns from a typical community campsite as opposed to a typical private-sector owned tourism lodge?

*Revenues and employment from community-owned ventures are usually much smaller than from private or jointly owned enterprises given that the level of investment is much lower. If full ownership is considered a community priority it must be realised that this has a cost.*

- If ownership is a priority has the community considered other options such as a community activity that is complementary to a privately or jointly owned lodge such as a cultural village or provision of services?

*A complementary activity has the advantage of ready access to a market . It allows the community to make use of private sector expertise in marketing.*

## 6. Negotiating financial components of the deal

### a) Choosing a payment structure

How much risk of fluctuation of income is the community prepared to take? Is it important to have some minimum level of fixed income that does not vary each year e.g. to cover conservancy running costs (even if the company, for some reason of its own, does not get started on the planned venture), or is it more important to receive a payment that is linked to the success of the enterprise even if this means receiving very little in bad years but potentially much more in good years?

*The choice of payment structure depends on the level of risk the community is willing to take on given the characteristics of the venture and the operator a community should be less willing to take on risk if the company has no prior experience of tourism). In general the community can reduce risk by opting for a minimum fixed income. The community should only opt for payments related to the success of the enterprise (eg percentage of turnover or profit in the case of tourism, and payments per animal shot in the case of hunting) if:*

- It can cope with some fluctuation in income
- The potential reward is higher than under a fixed payment system (a reward for taking on risk)
- There is some initial fixed payment

*It is advisable to allow for review of the payment structure after a specified period.*

### b) Determining the overall value of the deal

- What is the minimum total payment that the community should be willing to accept?

*This can be calculated by working out the direct costs of managing wildlife that need to be covered plus the indirect costs to the community – i.e. what could it get from alternative land uses? It is also necessary to consider whether other partnerships the community may be involved in will also be generating income to cover a portion of these costs.*



*Right of exclusive use must be addressed as part of the financial component*

- What is it reasonable to expect the company to pay the community over and above the minimum but also allowing for the fact that the company needs to generate a profit and have an incentive to continue in the venture?

*There is no straightforward answer. Tendering or auctioning will enable comparison of bids. Whatever selection process is adopted, the community or people advising it need to make or have access to projections of the potential returns of the enterprise under different assumptions about occupancy and rates. This can form the basis of discussions with the company which can present its own set of projections. The extent of non-financial benefits that the company is providing also needs to be considered as these have cost implications.*

### c) Ensuring correct payments

- Will it be straightforward to calculate how much the community should receive each period and check that the correct payments are being made?

*The most straightforward approach is to set a fixed rate per person per night. The community can monitor how many people stay each night more easily than assessing whether an agreed percentage of turnover, or accommodation fees or profits has been paid. This avoids the "10% of what?" syndrome. To take account of accommodation rates rising over time because of inflation or other factors, it can be agreed in the contract that the flat rate will increase by a specified percentage each year, for example at the national inflation rate.*

- Is the community protected against changes in the purchasing power of the financial revenues it receives from the contract?

*Any fixed payments eg land rent or bednight levies need to be increased in line with inflation or some agreed benchmark particularly where contracts are of long duration. Alternatively, payments can be specified in US dollars given that rates for tourists and for trophy hunters are often expressed in that currency.*

### d) Rewarding Exclusivity

- Is the company proposing restrictions on other tourism/hunting developments within a certain area?
- Does this area have potential for further tourism activity?

*Agreeing to restrictions on further tourism/hunting developments is likely to reduce potential revenue to the community. It should therefore expect to receive something in return for agreeing to such restrictions.*

## 7. Negotiating non-financial components

### a) Employment

- How many community members will be able to find employment in the venture?

*Different types of enterprise are likely to result in different levels of employment for local people. Tourism lodges might have a relatively high demand for staff (depending on the size of the enterprise) while potential opportunities within a hunting business are likely to be more limited.*

- How important is it for the community that community members take on more skilled work over time as well as unskilled positions?



*Employment opportunities will depend on the type of development*

*If the community is keen for its members to take on higher level employment in the tourism/hunting enterprise this needs to be built into the agreement. Realistic targets for the numbers of local people employed as well as their employment in more skilled and management positions should be incorporated in the agreement.*

### **b) Recruitment**

- How will recruitment of community members be carried out and who will be responsible?

*Involvement of the conservancy committee or traditional authorities in recruitment will enable it to check that genuine efforts are being made to employ locals. It can also help to ensure that the distribution of employment opportunities is perceived as fair or is in line with what the community wants.*

### **c) Determining wage levels**

- How much is the company offering for each type of position? How does this compare with other paid employment available locally or the returns from time spent on livestock and other traditional activities?
- How much are workers in similar positions paid at other lodges? How do their skills level and education compare with that of community members?

*The community should expect to get as least as much as from other paid employment available locally. Salaries paid at other lodges are a useful benchmark but differences in skills and education level need to be taken into account.*

## **8. Deciding on the duration of the partnership**

- Is the community expecting the company to make a significant amount of investment?
- Does the company have a track record in tourism?
- What happens if the company fails to generate much business?
- How much change is expected from year to year eg in hunting quotas?

*If a company is expecting to invest a significant amount of money in a tourism enterprise it requires a certain degree of security over its investment. A contract of less than 5 years will not give the company the security needed for it to make more than a minimal investment in a tourism enterprise. A 10 year contract with the option of extension provides adequate protection for the company's investment. However, the community also needs protection and escape clauses need to be built in so that if the company fails to perform, the community is not locked into a long contract. This is particularly important where the company concerned has little experience in tourism*

*Hunting enterprises require little capital investment so the security of long contracts is not such an important issue. However, a multi-year contract is still preferable to an annual contract as it cuts down on time and cost involved in selecting the company and negotiating the main provisions of the contract. This still leaves room for annual negotiation on the hunting quota.*



*A long-term contract is needed to ensure security of investment*

## ***9. Formalising the partnership***

- Does the community have a clear record of what has been agreed and what the rights and responsibilities on both sides are?

*For all types of partnerships including good neighbours arrangements, it is important to have a written agreement, memorandum of understanding or contract, which sets out what both sides have agreed., what they expect to get and what they expect to put in to the partnership.*

## ***10. Monitoring, reviewing and amending a deal***

- What access will the community have to financial and other information about the enterprise?

*Access of the community to company records and accounts is important to check that the correct payments are being made, that financial performance is as expected or has not fallen below levels stipulated in escape clauses. The community may need to seek assistance in interpreting this information.*

- What provision is there for the company to consult the community on matters concerning the partnership or for the community to make its views known to the company on any issues that arise?

*Formation of a Joint Management Committee with representatives of the company and the community is a useful model to follow.*

# Company Guidelines

It is in the company's long-term interests to ensure that communities have examined the options on an informed basis, consider the deal to be fair and have a channel for communicating concerns once the partnership is up and running. It is possible that a company can generate higher returns in the short-term by taking advantage of the lack of information and negotiating power of communities but such partnerships are either unlikely to last or will generate dissatisfaction on the part of the community. These guidelines aim to assist companies in developing long-term successful and equitable partnerships with communities.

## 1. Identifying a partnership opportunity

The company needs to establish whether it has the key characteristics that will make for a successful partnership with communities:

- Does the managing director or proprietor reside in the country and are they prepared for face-to-face meetings or visits?

*If the community can visit a high level representative of the company to discuss issues face-to-face, the level of trust in the partnership is substantially increased.*

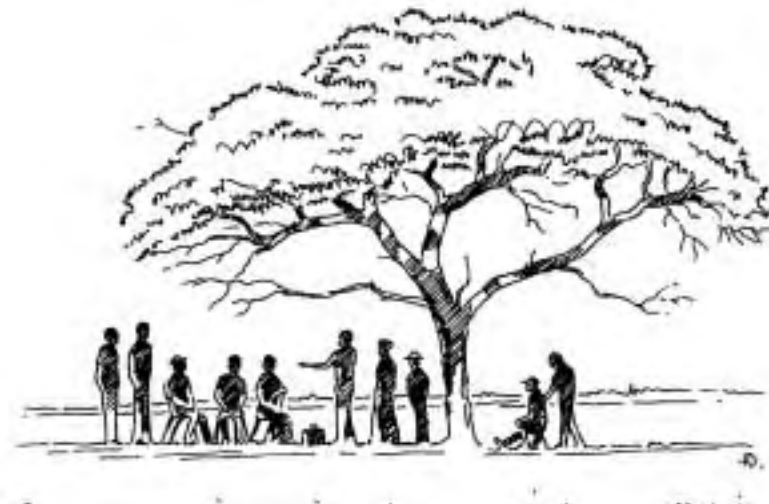
- Is there a senior member of staff personally committed to negotiating the partnership and working with the community after it has been set up?

*Visits to the community may be required frequently and at short notice so personal commitment is essential.*

- Has the company or any of its staff worked with communities before?

*Previous experience is clearly an advantage but companies new to working with communities can address their lack of experience by enlisting the services of a facilitating agency or by hiring a community development specialist.*

*Frequent meetings with the community are essential (an independent facilitator can be of great assistance)*



## 2. Finding out about prospective partners

- What size is the community?

*Working with small community groups means that individual benefits from tourism can be more significant and so commitment to the venture is likely to be stronger. If the community is large an emphasis on community payments rather than individual payments can help spread benefits more widely.*

- Does the community have an established institutional structure eg conservancy committee? If not are there other authorities which have wide community support?

*Working with communities with a strong institutional structure provides a point of focus for negotiations and a recognised procedure to be followed.*

- Does the community have sufficient experience of tourism to understand the level of benefits likely to be generated? If not are there any facilitators with both community and tourism experience that can be brought into to assist in discussions?

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

- Does the community have the appropriate level of skills – literacy, language, numeracy? If not can training provided as part of the agreement address these skills gaps?

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

- What are the main livelihood options of the community - how dependent will the community be on the tourism enterprise?

*Communities who are motivated by, but not overly dependent on, tourism are more likely to put the necessary effort and energy into making the venture a success but are able to absorb the risk of failure. Communities often have a diverse range of livelihood activities. For a partnership to succeed it must complement, not conflict with other activities.*

### 3. Selecting partners

- Is there more than one possible location for the enterprise and hence more than one potential partner?

*Choose the community that fulfils most of the criteria described in Step 2 above.*

- Is the company the only one involved in negotiation with the community?

*Where possible encourage the community to approach other companies and to examine other options as well. This may seem to run counter to the company's interests but the benefits could be considerable, eg: reduced scope for disputes later on, greater willingness on the part of the community to accept a long contract, reduced time in negotiations if community has better sense of the options available.*

### 4. Getting assistance

- Is the community being assisted in the negotiations by an NGO or other community development organisation?

*The partnership is more likely to succeed if the community goes into it on an informed basis. The company could encourage the community to seek assistance, identifying organisations or other conservancies that it could approach. Alternatively, the company could take the initiative and approach an impartial organisation to act as facilitator for the negotiations*

- Is an external facilitator required to compensate for the company's lack of experience in dealing with communities?

*Many of the NGOs that provide assistance to communities may be equally useful to companies. NACOBTA, IRDNC and LIFE all have experience in working with both the private sector and communities and have first hand experience of brokering deals between the two. Other companies and individuals who have been involved in partnerships with communities may be willing to offer help or advice.*

### 5. Deciding on ownership of the venture

No ownership structure is necessarily better than another – it depends on the nature of the enterprise and the priorities and capacities of both sides. It is important that both sides are comfortable with the negotiated structure and fully understand its implications.

*If the private (company) ownership model is adopted:*

- Does the company understand why the community has agreed to this? Is it sure that the community has debated the alternatives rather than just going along with the first suggestion?

- Does the company know what the community's expectations are in relation to involvement in management?

*If communities opt for private ownership because they have decided to prioritise income and reduced risk, they may be happy to leave management to the company. However, some communities may want some involvement in management even if they are not formally owners of the enterprise. If these expectations are not addressed in the negotiations, tensions could arise later on.*

*If the community is happy to rely on the expertise of the company for the initial years but wants to be involved in management or have more control later as it picks up some knowledge of the business, then provision needs to be made for management training and for a change in ownership structure.*

- Have other ways of instilling a community sense of ownership been explored?

*Formal ownership in the legal sense may not be very meaningful to the community. Other factors such as consultation and involvement in management may be more important in making community members feel that they have a stake in the venture. Encouraging and assisting the community to set up complementary activities which they can control e.g a cultural village or craft production may also help.*

***If the joint ownership model is adopted:***

- Do community members understand the implications of shareholding - that income will vary depending on the profits made by the enterprise, that in some years, particularly at the beginning, they may receive nothing?

*If variation in income is a problem the company could propose a hybrid arrangement – a mix of shareholding and payments linked to turnover and/or an annual fixed payment – to ensure some minimum income for the community even in the initial years.*

- Is it clear what both sides are putting into the partnership and how their inputs are being valued, in return for their shareholding?

*Calculation of both sides contribution involves a certain amount of subjectivity and specialist input. The community will need assistance in checking that its equity share is reasonable. It is important for the company to ensure this happens as problems could arise later on. If the company is not convinced that the community has fully understood the basis for the equity sharing, it should look for other ownership structures and accommodate the community's desire for involvement in management or control in other ways.*

- Will community members be easily able to check the calculation of how much they receive in dividend payments?

*Access to company accounts needs to be explicit in the agreement. Community members need to have the capacity to understand the accounts and decisions made on dividends or have access to assistance on this. The company can help by identifying people or organisations that can provide this input. Even so, in some cases it may be better to choose a different model of ownership and accommodate the community's desire for involvement in management or control in other ways.*



*Involvement in management builds trust and increases the sense of ownership*



Will joint ownership translate into the degree of management involvement that both sides want and expect?

*The company needs to find out how much involvement in management the community wants. Ways of accommodating this need to be discussed in the negotiations and measures such as a phased training programme incorporated in the agreement. If there are genuine constraints or tradeoffs eg with financial returns these need to be made clear at the outset.*

**If the community ownership model is chosen:**

- Is there an expectation that the company will be involved in the management of the enterprise?

*Agreement needs to be reached at the outset as to how much say the company has in the management of the enterprise in return for their inputs into the partnership. If the company is not involved in the day to day management then expectations of management standards required from the community need to be made explicit.*

## **6. Negotiating financial components of the deal**

### **a) Choosing a payment structure**

A variable payment structure is not necessarily better than a fixed one from the point of view of the community as it depends on its needs and attitudes to risk.

- Is the company sure that community members understand the implications of the payment structure agreed on eg that income can fluctuate if payment is linked to the success of the enterprise, or that income will not increase later as the number of visitors increase if a fixed payment structure is agreed on?

*The company can facilitate community understanding of the implications this by presenting estimates of payments to the community under different structures and scenarios.*

- Is there provision for reviewing the structure after a specified period?-

*Community needs and attitudes to risk may change and the implications of a payment structure may only be fully appreciated once an enterprise is up and running.*

- Does the community understand why it is being paid and what the amounts received will depend on? Does the payment structure facilitate this understanding?

*Linking payments to the success of the enterprise or the overall level of business may be advantageous for non-financial reasons. It can make it easier for community members to see a link between management of wildlife, tourist visits and community revenue.*

### **b) Determining the overall value of the deal**

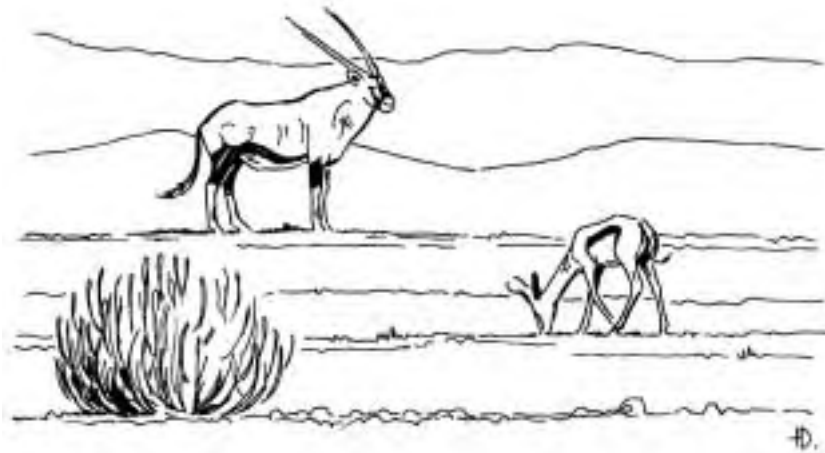
This is where there is most potential for misunderstanding and bad feeling so it is important to ensure that the basis for calculation is clear without compromising commercial sensitivity.

- Is the community receiving at least enough to cover the costs of wildlife management – direct and indirect?

*The success of the enterprise ultimately depends on the community having an incentive to protect the wildlife or other natural resources (for non-wildlife based tourism) in its territory. If the community income from the partnership is insufficient to cover these costs, the whole basis for the tourism/hunting enterprise will be eroded over time.*

- Has the basis for the company offer been understood by the community and/or to the organisation assisting it?

*Showing company projections to the community may not be sufficient and may not be very meaningful. Encourage the community to make its own calculations and to seek assistance for this. Comparing the two sets of calculations will help to identify points of misunderstanding, divergence of opinion and unrealistic expectations. Show details of other partnership deals to the community as these provide a basis for comparison.*



*It is important to provide an incentive to protect wildlife*

#### **d) Ensuring correct payments**

- Can the payment system be easily understood and monitored by community members?

*Linking payments to turnover or to room rates sounds simple but can prove complicated and cause misunderstandings because of differences in definition, variations in rates by season and type of visitor. A fixed payment per person per night regardless of differences in rates between seasons and visitor types is very simple and can be easily checked by community members. There could be differentiation between the seasons if there is a marked difference in room rates between one season and another. Allowance can also be made for annual adjustment in line with inflation and/or exchange rate changes.*

#### **e) Rewarding Exclusivity**

- Has the community understood the implications of any development restrictions in the agreement?

*Restrictions on other developments may often be necessary to safeguard the company's investment but much depends on market conditions. Addressing these restrictions specifically in the negotiations or in the proposal (in the case of a tendering process) and making a separate payment for them may help to make them more explicit for the community, thus avoiding surprises and disagreements later on. Market conditions can change or not be accurately predicted in the first place. It is therefore important to allow for adaptation to changing circumstances.*

## **7. Negotiating non-financial components**

### **a) Employment**

- Is the community aware of the levels of employment the enterprise is likely to generate?

*Communities with little experience of tourism may view the development of any enterprise as a large generator of employment. Realistic projections of the number and type of jobs the enterprise is likely to create should be provided at the outset to prevent raised expectations.*

- Has the company discussed with the community its expectations in relation to skilled and higher level employment?
- Is there a mismatch between the community's expectations and the current level of skills and education in the community? If so, can this be overcome by training programmes and on-the-job experience?

*The failure of locals to take on more skilled positions in the enterprise is often a source of community dissatisfaction. Instead of making vague commitments to employment of local staff in higher level positions, the company would do better to tackle this issue in the negotiations and agree on training programmes and target dates for certain types of position to be taken over by locals. If this has financial implications eg: the cost of employing locals on work experience, training programmes, it is better to discuss them at the negotiation stage than present them as obstacles later on. Allow some scope for reviewing targets in a forum like a Joint Management Committee.*

## b) Recruitment

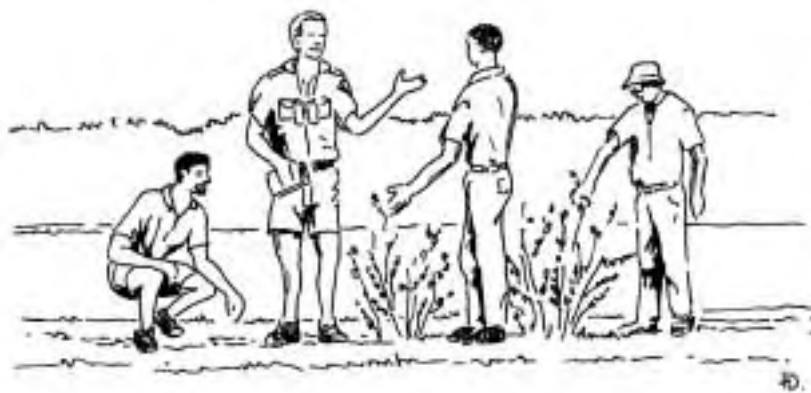
- Who will be responsible for recruitment? What role will the community play?

*Providing relatively well-paid jobs for just a few individuals in a community is a sensitive issue. Involve the conservancy committee or traditional authorities in recruitment as these are in a better position to balance factors such as household need, ability, proximity to the operation etc.*

## c) Determining wage levels

- Does the community understand the basis for the wages for the different posts available?

*While wage levels do not seem to have been a problem in existing partnerships, it is useful to ensure that the basis for wage levels for each post are clear. The company should be prepared to provide details of salaries paid at other lodges in Namibia together with explanation of any differences eg in skill and education levels of those involved, urban cost of living allowances.*



*Training is a crucial component of a partnership*

## 8. Deciding on the duration of the partnership

- Does the community understand the need for a reasonably long contract to ensure security of investment in a tourism enterprise?
- Does the contract length required by the company conflict with that wanted by the community?

*Understand community concerns about being locked in to an arrangement for a long period particularly if it is new to tourism and not familiar with the company. Find ways of balancing the need to secure investment with flexibility. Do not expect the community to agree to a long contract if the company does not have a sound track record in tourism and in working with communities. With the help of a facilitator discuss with the community the various reasons why they might not want to lock themselves into a long contract and consider ways of dealing with these in the agreement.*

*For hunting enterprises a short contract is the norm but even so a multi-year (rather than annual) contract is likely to be mutually beneficial, resulting in reduced transaction costs on both sides – so long as there is provision for the annual quota to be revised.*

## 9. Formalising the partnership

- Do the company and the community both have a clear record of what has been agreed?

*Drawing up a contract implies legal costs and may seem like unnecessary bureaucracy, particularly in the case of “good neighbours agreements”. However, the benefits of some kind of mutually agreed written record (even if it is decided to opt for something less formal than a legal contract) are considerable. It ensures that rights and responsibilities on both sides are clearly defined and reduces the scope for misunderstanding.*

## 10. Monitoring, reviewing and amending a deal

- Has provision been made for the community to have access to financial and other information about the partnership enterprise?

*Transparency is important for maintaining community trust. In particular, the community needs to know that the correct payments are being made. However, reporting must be appropriate to community circumstances. The company can encourage the community to seek assistance on this but it should also try to simplify reporting as much as possible.*

- What provision is there for the company to consult the community on matters concerning the partnership or for the community to make its views known to the company on any issues that arise?

*It is useful to set up a forum for periodic discussion and consultation eg a Joint management committee with representatives from both sides.*



*Have we got it in writing?*

Poverty, Inequality and Environment Series No 1

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

***Volume III  
Inventory of tourism partnerships in Namibia***

Dilys Roe  
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June 2001

IIED in association with NACOBTA

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## *Acronyms*

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

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## *Introduction*

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

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

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

Volume I of this study is a background report which describes the increasing involvement of local people in the tourism industry in Namibia; the policy and institutional framework that supports private sector – community partnerships; the rationale behind, and characteristics of, such partnerships – both in general terms and within Namibia; and the key ingredients are for successful partnerships – that is, ones that meet the expectations of both sides.

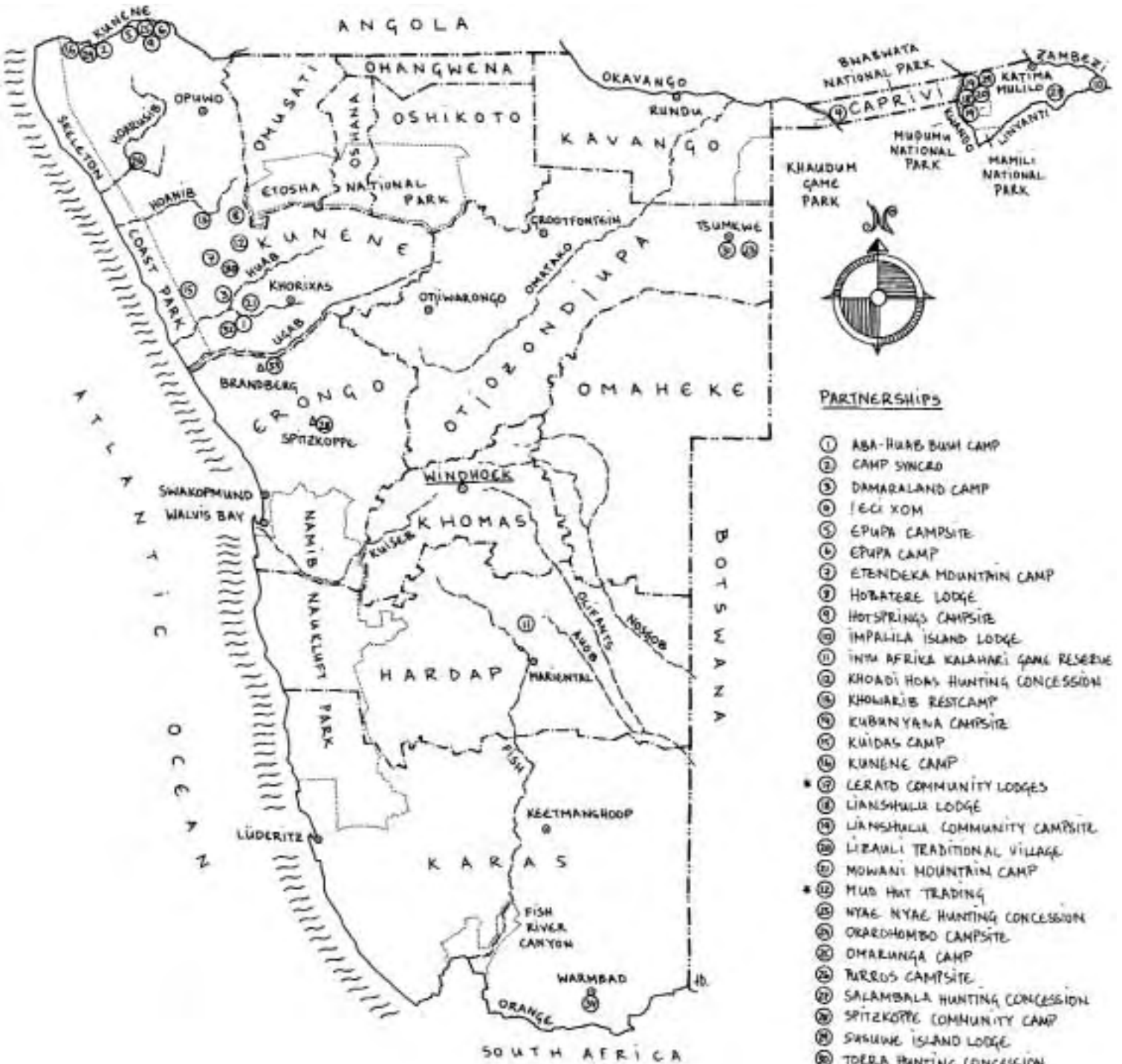
Volume II presents guidelines which aim to provide advice on how both parties can get a good deal from the partnership rather than one side at the expense of the other. They set out the questions both sides to the partnership, community and private sector should consider at each stage of the negotiation process and the reasons why these issues are important.

This volume describes tourism partnerships that currently exist, or have been tried and abandoned, in Namibia. The experience of these initiatives provides the basis for the analysis in Volume I and the guidelines in Volume II.

Broadly speaking, partnerships can be divided into eight main types, depending on the type of company and the type of community (see Volume I, Chapter 4):

1. A company enters into an agreement with a community to develop a new enterprise on conservancy land
2. A company with an existing facility on communal land that becomes registered as a conservancy enters into an agreement to share benefits with the local community. This is in recognition of the changing land and resource rights.
3. A company enters into a “good neighbours” agreement with a community living next to or near an existing private enterprise.
4. A company leases hunting rights from a community e.g. Africa Safari Trails and #Khoadi //Hôas conservancy.
5. A company enters into an agreement with a community to utilize an existing community-based facility .
6. A company enters into an agreement with a community to develop a new community-based facility.
7. A company enters into an agreement with a community to “buy in” services or products – usually to complement an accommodation facility.
8. A company enters into an agreement with a community to develop and market products.

Private sector-community tourism partnerships in Namibia



**PARTNERSHIPS**

- ① ABA-HUBB BUSH CAMP
- ② CAMP SYNCRO
- ③ DAMARALAND CAMP
- ④ I ECI XOM
- ⑤ EPUPA CAMPSITE
- ⑥ EPUPA CAMP
- ⑦ ETENDEKA MOUNTAIN CAMP
- ⑧ HOBATERE LODGE
- ⑨ HOTSPRINGS CAMPSITE
- ⑩ IMPALIILA ISLAND LODGE
- ⑪ TWIN AFRICA KALAHARI GAME RESERVE
- ⑫ KHADI HORN HUNTING CONCESSION
- ⑬ KHAWARIB RESTCAMP
- ⑭ KUBRINYANA CAMPSITE
- ⑮ KUIDAS CAMP
- ⑯ KUNENE CAMP
- \* ⑰ LERATO COMMUNITY LODGES
- ⑱ LIANSHULLA LODGE
- ⑲ LIANSHULLA COMMUNITY CAMPSITE
- ⑳ LIBALI TRADITIONAL VILLAGE
- ㉑ MOWANI MOUNTAIN CAMP
- \* ㉒ MUD HUT TRADING
- ㉓ NYAE NYAE HUNTING CONCESSION
- ㉔ ORACHOMBO CAMPSITE
- ㉕ OMARUNGA CAMP
- ㉖ TURROS CAMPSITE
- ㉗ SALAMBALA HUNTING CONCESSION
- ㉘ SPITZKOPPE COMMUNITY CAMP
- ㉙ SAKUNE ISLAND LODGE
- ㉚ TOERA HUNTING CONCESSION
- ㉛ TSIMIKWE LODGE
- ㉜ TUITELFONTEIN COUNTRY LODGE
- ㉝ UGAB RIVER CAMP
- ㉞ WARMBAD

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

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

# 1. *Aba-Huab Bush Camp*<sup>1</sup>

## KEY FEATURES

Partnership between:	Sandy Acre Safaris and the resident Namibian entrepreneur.
Current status:	Terminated
Location:	Kunene Region
Partnership type:	5
Type of Agreement:	Formal

The Aba-Huab Bush Camp was a joint venture whereby the tour operator, Sandy Acre Safaris constructed a permanent bush camp for the use of its clients alongside the popular and well know Aba-Huab Campsite. SandyAcre Safaris is a British orientated company which specialises in taking small groups of visitors on exclusive and very well serviced mobile safaris. Itineraries are designed to give a well balanced combination of stays in the best lodges, hotels and guest farms available. Guests can also experience the remoter parts of the country where few fixed accommodation facilities exist based at fully-equipped 'mobile' tented camps.

SandyAcre negotiated with the owner of Aba-Huab Campsite in 1997 to use part of the existing and non-serviced campsite to construct a permanent tented camp. SandyAcre provided the capital to build a kitchen, store, shower block, water tower and dining area. In return, the company's camping equipment – tents , beds, kitchen equipment etc. was to be stored at the site and it was to be maintained by the community so that it would be ready for utilisation when clients arrived. When no SandyAcre tours were visiting, Aba-Huab would be free to use the Bush Camp to accommodate passing trade. The charge for the SandyAcre site would be N\$35 per night compared to N\$20/night for the Aba-Huab site, with a proportion of the surplus fee passed to SandyAcre to offset the capital investment. A complete hand over of the camp was foreseen if SandyAcre was convinced of the management capabilities of Aba-Huab, with all equipment transferred free of charge.

By 1999 very little had been done with the camp. The kitchen area was only partially constructed; a water tower was constructed but left uncovered and the water subsequently contaminated; this in turn rendered the shower block unusable. The stores building was also not completed and it was not possible for SandyAcre to store equipment on site as planned thereby having to still bring everything with them. SandyAcre reported that there appeared to be very little interest in maintaining the site – it was often not prepared for visitors and a SandyAcre representative had to make sure everything was in order prior to guest arriving– defeating the objective of the camp. As a result SandyAcre became extremely fed up with the arrangement and the agreement was terminated in 2000.

It is thought that the main reason behind the failure of the partnerships was that enthusiasm for the Aba-Huab Bush Camp was taken over by the development of a conservancy and the subsequent construction of two lodges at Twyfelfontein (see Inventory numbers 21 and 31). The owner of Aba-Huab Campsite has always hoped to develop a lodge and it is felt that the bush camp was an interim idea that lost momentum when the lodge construction was secured through a partnership.

SandyAcre Safaris also believe that a core problem associated with the Bush Camp partnership was the individual, rather than community, ownership of Aba-Huab Campsite. The owner employs local people to work at the campsite but they receive a wage rather than a share in any profits.

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<sup>1</sup> See Volume 1 Case Study No 4

## 2. Camp Syncro<sup>2</sup>

### KEY FEATURES

Partnership between:	Kaokohimba Safaris and Marienfluss Himba communities.
Current status:	Ongoing
Location:	Marienfluss valley, Kunene Region
Partnership type:	7
Type of agreement:	Informal

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

Kaokohimba Safaris was founded in 1989 and is owned and managed by one individual. The company started with overland safaris to the Marienfluss Valley and then approached the community with a request to build a small permanent camp along the river (maximum capacity of eight visitors).

The core cultural product offered by Kaokohimba Safaris is a visit to a Himba village. Visits are equally divided across the two main settlements at Okapupa and Ombivangu although smaller settlements of these two communities might be visited if migratory patterns bring people closer to where the camp is located. Village visits are not guaranteed and need the approval of the village elders. But the good relationship between Kaokohimba Safaris and the community means that such approval is almost automatic. Visits respect the daily activities of the Himba, with no "performances" requested or conducted. Ongoing activities of the Himba are explained with as little interference as possible. Kaokohimba Safaris always takes plenty of time to discuss issues and concerns that the community has and will not leave unless certain elder people have been greeted and matters arising satisfactory discussed. Photos are only taken with permission from the community.

There is no formal agreement between Kaokohimba Safaris and the community. The arrangement is based on a voluntarily contribution by Kaokohimba Safaris, related to actual visits to the villages of the Marienfluss community. Visits are paid for with a varying mixture of sugar, salt, flower, tobacco but always include fresh drinking water which is carried in a big tank on board the company vehicle. If the settlements at the river are occupied, and clients visit the village during a walk, the 'payment' will be made later in the day (next day) when the vehicle goes out for an airstrip transfer. The payment (quantity) is normally higher if clients want to take photos. If clients conduct film or photo sessions for commercial purposes, a payment into the Marienfluss Development Fund has to be made. Photographers are charged N\$ 2500 and film/video production N\$ 5000. The Marienfluss Development Fund is a voluntary fund, initiated by Kaokohimba Safaris and administered by the Namibia Nature Foundation. Apart from photo and video royalties, donations from Camp Syncro clients are paid into the fund ( currently N\$ 45000). The community can select a purpose for the money but the operator wants to reserve the right for final approval to avoid unrealistic developments.

Additional inputs from Kaokohimba Safaris include a shop selling basic supplies, road maintenance, rubbish collection and disposal, awareness raising amongst tourists, facilitation, health care provision, transport and communications. A large craft development project has also been initiated by Kaokohimba Safaris who, since 1995, have bought crafts and artefacts from the Himba and sold them on to Mud Hut Trading (see Inventory No 22).

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<sup>2</sup> See Volume 1 Case Study No 5

### 3. Damaraland Camp<sup>3</sup>

<b>KEY FEATURES</b>	
Partnership between:	Wilderness Safaris Namibia and Torra Conservancy
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	1
Type of agreement:	Formal

Torra, located in the Kunene Region in north-west Namibia, was one of the country's first communal conservancies and is characterised by spectacular arid mountainous scenery and a wide range of wildlife including elephants and lions. The Residents Trust that preceded the Conservancy entered into negotiations in 1994 with Wilderness Safaris, a large Southern-African adventure travel company and reached a successful outcome in 1996 when a joint venture agreement was signed for the establishment of a luxury tented camp, Damaraland Camp.

Direct financial benefits to the community from the Damaraland camp include a bednight levy of 10% of accommodation price and an annual rental of N\$3,000 for the permission to occupy the land. Payments to the community from bednight levies despite low occupancy levels have been fairly significant. Between July 1998 and June 1999 they equalled N\$174,846, equivalent to N\$582 per community member (although revenues have not been distributed this way). This would be comparable to about three months of pension payments or wages from casual agricultural labour. Other benefits include training, employment and asset transfers.

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

Ownership of the venture was a key issue in the negotiations and a flexible approach was adopted. The agreement states that Wilderness Safaris has ownership of the assets of the enterprise but opens the possibility for the community to purchase these either at the end of the agreement i.e. after ten years or to extend the contract by a further five years and acquire 20% of the assets each year through a corresponding reduction in the payments of rental and bednight levy.

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<sup>3</sup> See Volume 1 Case Study No 1

## 4 !Eci Xom

### KEY FEATURES

Partnership between:	Anvo Safaris and the Kxoe Community
Current status:	Proposed
Location:	Caprivi Region
Partnership type:	3
Type of agreement:	Formal

Anvo Safaris is one of Namibia's oldest and best-known big game hunting companies. The owner is an internationally acclaimed big game hunter with many years of successful experience in all parts of Namibia. His latest big game concession formed part of the West Caprivi Game Reserve. As part of that contract with the Namibian government, ANVO Safaris constructed a hunting camp on a little elevated sandbank in the Okavango River, known as 'White Sands' a name which was subsequently given to the camp. ANVO Safaris hunted in the Okavango River area between 1993 and 1997, after which they did not renew the concession. White Sands camp still remains however, although its legal status is somewhat unclear as no PTO has been issued for the site.

A memorandum of understanding, signed in 1995 between Anvo Safaris and the Kxoe – the resident San community indicated that, if the status of the land on which the camp is situated was clarified, the camp could be upgraded and expanded and reopened for tourists. A percentage (to be agreed upon) of the income from the camp would go the Kxoe community.

However, political and security events unrelated to tourism, have severely disrupted the progress of this partnership initiative. Secessionist disturbances in the Caprivi Region since 2000 forced the government to call a state of emergency in the area and tourism has come to a complete halt. In addition, a dispute arose with the Ministry of Prisons and Correctional Services who claimed ownership of the White Sands site. This dispute has jeopardised all development in the area.

## 5. Epupa Campsite<sup>4</sup>

### KEY FEATURES

Partnership between:	Kaokohimba Safaris and Epupa communities.
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	3, 7
Type of agreement:	Informal

Epupa Campsite is one of four camps at Epupa Falls, on the Kunene River - the border between Namibia and Angola. Traditionally there is no resident community at Epupa – the main Himba settlements are further south where the traditional authority resides. With the development of tourism in the area however, informal community settlements have grown substantially.

Kaokohimba Safaris (see Inventory No 2), together with the Chief Warden for Kaokoland, approached the headman of the Epupa area and obtained permission for the construction of a camp. In 1993, Kaokohimba Safaris initiated the Epupa Fund whereby 10% of turnover at their two campsites (Epupa and Hotsprings) was paid-out annually to the headman. In 1998, the company initiated a community meeting with two other companies operating campsites at Epupa and a fixed amount of N\$20,000 per year for the four camps (Epupa Campsite, Hotsprings Campsite, Epupa Camp and Omarunga Camp) was agreed as a community payment.

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<sup>4</sup> See Volume 1 Case Study No 5

## 6. *Epupa Camp*

<b>KEY FEATURES</b>	
Partnership between:	Epupa Camp and Epupa communities.
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	3
Type of agreement:	Informal

Epupa Camp is one of four camps at Epupa Falls, on the Kunene River. Epupa Camp was originally built as a base camp for a large feasibility study on the Epupa Dam proposal. When the study was concluded in 1997 the camp began to operate as a tourist lodge with some of the team members of the feasibility study as the major shareholders. Epupa Camp charges N\$600 per person/night and receives around 600 guests per year. Its contribution to the N\$20,000 annual community payment, agreed with Omarunga Camp and Kaokohimba Safaris is N\$10,000 – roughly a 3% bed night levy. See Inventory No 5 for details of the partnership agreement.

## 7. *Etendeka Mountain Camp*

<b>KEY FEATURES</b>	
Partnership between:	Etendeka Mountain Camp and neighbouring communities
Current status:	On hold
Location:	Kunene Region
Partnership type:	3
Type of agreement:	Informal

Etendeka Mountain Camp is one of three remaining government concessions on communal land – the other two being Hobatere and Palmwag. The Camp is just north of the veterinarian gate at Palmwag and run by a Namibian couple. Approved in 1993, Etendeka offers an exclusive, low-impact nature experience to mainly special interest tourists.

In 1994, a joint exercise between Integrated Rural Development & Nature Conservation (IRDNC) and Etendeka Mountain Camp was initiated to obtain insight into the tourism awareness of the surrounding communities and to investigate how financial revenue from tourism might be used by the various households. Etendeka voluntarily offered to pay a bed night levy of N\$ 10 per person/night to five communities identified as utilising the same resource base – covering an area up to 200km north: Sesfontein, Khwarib, Warmquelle, Omuramba and Otjikowares. Each community received approximately N\$ 8000.

Etendeka still collects bed night levies but presently does not pay out any money so as not to jeopardise the formation of several conservancies in the area. There is currently no conservancy in the immediate vicinity – although two are emerging nearby – Sesfontein and Omatendeka. Etendeka has indicated several times that it will negotiate a concession right with a conservancy once approved.

## 8. Hobatere

<b>KEY FEATURES</b>	
Partnership between:	Hobatere Lodge and #Khoadi //Hôas Conservancy
Current status:	Negotiations terminated
Location:	Kunene Region
Partnership type:	3
Type of agreement:	Formal

Hobatere is a government-granted concession on communal land bordering the Etosha National Park . Hobatere Lodge is a well-established (since 1991) enterprise within the Namibian tourism industry. It is home to a wide selection of game, including elephant, giraffe, eland and hartmann's zebra. Ornithological trips to bird watching spots are offered. The lodge offers 24 beds and has an average occupancy of more than 50%. The product of the lodge is very much wildlife-orientated and used to include nature activities in the western part of the Etosha National Park before the Ministry closed the Galton gate for day visitors. The concessionaire is a well-known ornithologist and conducts specialist tours throughout the country. Although the concession area falls within communal land, it has never been occupied as it has always had a protected status with the Ministry of Environment & Tourism taking responsibility for resource management as part of its activities in the neighbouring Etosha National Park.

When the #Khoadi //Hôas Conservancy was proposed and boundaries had to be determined, it included the present concession areas of Hobatere. In 1999, with the concession due to expire in 2000, the lodge began to negotiate a partnership with the #Khoadi //Hôas Conservancy (supported by LIFE and the DEA), whereby it was proposed to integrate the concession into the conservancy. Various draft contracts were discussed focussing on the following benefits/responsibilities:

- Number of staff to be employed and trained from the local community
- Bed night levy
- Development of a community campsite in the southern section of the concession area
- Lease fee
- Game translocation
- Resource management

Unfortunately agreement was never reached and the government renewed the existing Hobatere concession despite an earlier commitment to transfer concession-granting rights to conservancies.

## 9. Hotsprings Campsite<sup>5</sup>

<b>KEY FEATURES</b>	
Partnership between:	Kaokohimba Safaris and Epupa communities.
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	3, 7
Type of agreement:	Informal

Hotsprings Campsite is one of four camps at Epupa Falls, on the Kunene River - the border between Namibia and Angola. Partnership arrangements between the local Himba community and Kaokohimba Safaris are as for Epupa Campsite (see Inventory No 5).

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<sup>5</sup> See Volume 1 Case Study No 5



## 10. *Impalila Island Lodge*

### **KEY FEATURES**

Partnership between:	Island Lodge Management and nearby communities
Current status:	Ongoing
Location:	Caprivi Region
Partnership type:	3
Type of agreement:	Informal

Impalila Island Lodge is situated in Namibia's most easterly point at the junction of four countries – Namibia, Zimbabwe, Botswana and Zambia –and at the meeting point of the Zambezi and Chobe rivers. There is currently no conservancy in this area but the lodge has paid a bed night levy of N\$20 per guest to neighbouring communities for the past seven years. Island Lodge Management (ILM) has indicated that once a conservancy has been established a formal, revenue-sharing agreement will be developed similar to their agreement with the Mayuni Conservancy and Susuwe Island Lodge (Inventory No 29). In addition ILM has a policy of only employing local people from the immediate area to work at the Lodge (see also Inventory No 14).

## 11. Intu Afrika Kalahari Game Reserve<sup>6</sup>

### KEY FEATURES

Partnership between:	Intu Afrika Pty Ltd and Members of the Corridor 17 San community
Current status:	Ongoing
Location:	Hardap Region
Partnership type:	7
Type of agreement:	Formal

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

In 1995, Intu Afrika, then managed by two anthropologists, developed a project to involve the local San bushman community in its tourism enterprise through employment and cultural activities. The San community contacted WIMSA - the Working Group for Indigenous Minorities in Southern Africa – and asked them to facilitate the agreement. WIMSA first proposed a contract whereby a certain amount of land was allocated each year to the San so that they could build up their control, but this was rejected by Intu Afrika. After further negotiations, a joint venture agreement was signed in August 1998 providing for employment for San from Corridor 17 on a rotational basis; payment of a bed levy of 5% into a Community Trust account; accommodation for employees plus their families. In return the San were expected to provide cultural performances and maintain “community cohesion”. A Management Committee was also to be established including 3 San, one teacher and one Intu Afrika representative with the power of veto. The purpose of the committee would essentially be to regulate conduct of the San.

The Agreement was signed by both parties in August 1998, and the first (quarterly) bed levy payment was made in April 1999 but unfortunately since then relationships between the lodge and the Corridor 17 community deteriorated. According to the Intu Afrika management problems arose due to “unacceptable behaviour” of the San – particularly drunkenness. The San in return specified a lack of respect, bad treatment and missing funds as major problems.

No further payments of bed levies were made since April 1999 and the San claim that this is the reason for the breakdown of the agreement. Intu Afrika claimed that the bed levies were not paid because the San breached numerous clauses of the contract on account of their behaviour – particularly alcohol abuse – and that in addition the contract was verbally terminated by San representatives at a meeting between the community and the lodge in May 1999. Intu Afrika also state that the initial idea was intended to be an agreement between the lodge and the already resident San community. WIMSA’s intervention, involving the wider community at Corridor 17 through the rotational employment scheme, resulted in the initiative becoming too large and too ambitious. (Howard Hebbard pers comm.)

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

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<sup>6</sup> See Volume 1 Case Study No 6

## 12. #Khoadi //Hôas Hunting Concession<sup>7</sup>

(a)

<b>KEY FEATURES</b>	
Partnership between:	#Khoadi //Hôas Conservancy and Terra Africana Safaris
Current status:	Terminated
Location:	Kunene Region
Partnership type:	4
Type of agreement:	Formal

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

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

(b)

<b>KEY FEATURES</b>	
Partnership between:	#Khoadi //Hôas Conservancy and Africa Safari Trails
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	4
Type of agreement:	Written, formal

#Khoadi //Hôas Conservancy was keen to learn from its mistakes with Terra Africa Safaris and determined to secure a better deal for the 1999 hunting season. A workshop was organised by LIFE which reviewed what had gone wrong and drew up develop guidelines for all hunting operations in the conservancy. These guidelines effectively form the trophy hunting policy for #Khoadi //Hôas Conservancy and were used to draw up a tender document for the remainder of the 1999 hunting season and for the 2000/2001 seasons. The guidelines were attached to the tender document as "operational conditions" and in addition a number of "tender conditions" were included which stipulate a reserve price for the concession and state explicitly that the agreement relates solely to hunting rights and that "any other negotiations related to tourism rights will be undertaken under a separate agreement".

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

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<sup>7</sup> See Volume 1 Case Study No 3

### 13. Khowarib Rest Camp

(a)

<b>KEY FEATURES</b>	
Partnership between:	Khowarib Community and Rhino Tours
Current status:	Terminated
Location:	Kunene Region
Partnership type:	5
Type of agreement:	Formal

The Khowarib settlement consists of approximately 400 people of mainly Damara origin who are all subsistence livestock farmers (mainly small stock). Khowarib was one of the first communities to get involved in communal tourism, utilising the natural attraction of the famous Khowarib gorge – where the Hoanib River attracts an impressive array of birds, with salvadora bushes and mopane trees adding to the beautiful setting. As such the gorge forms a highlight in travels through Damaraland and is visited by many 4X4 travellers.

There have been several attempts to create a partnership with the Khowarib Rest Camp. The first initiative came from a Swakopmund based tour operator called “Rhino Tours”. They failed to consult the community when drawing up a contract with the camp manager and indicated that they were not willing to involve the whole community, as it would complicate the business. Rhino tours accused the community of stealing building material, which led to their withdrawal in 1995.

(b)

<b>KEY FEATURES</b>	
Partnership between:	Khowarib Community and Sunrise Developers
Current status:	Terminated
Location:	Kunene Region
Partnership type:	5
Type of agreement:	Formal

A second initiative at Khowarib failed for the same reason as the Rhino Tours agreement. Sunrise Developers from Outjo wanted to build permanent basic camping structures and again drew up an agreement with only the camp manager. As with Rhino Tours, the greater community was left out and subsequently contacted NACOBTA whose intervention led to a withdrawal of Sunrise Developers, as they were not willing to include the community in the deal.

### 14. Kubunyana Campsite

<b>KEY FEATURES</b>	
Partnership between:	Island Lodge Management and Mayuni Conservancy
Current status:	Ongoing
Location:	Caprivi Region
Partnership type:	6
Type of agreement:	Informal

Kubunyana Campsite is on the Kwando River, in the East Caprivi, bordering the Susuwe Island Lodge development on Birre Island (Inventory No 29) Island Lodge Management (ILM) funded, developed and built this campsite on behalf of the conservancy in compliance with their joint venture Memorandum of Understanding. The campsite consists of two separate facilities:

- i) A tented camp consisting of three large serviced and furnished tents under thatch with its own kitchen and ablution block;
- ii) A campsite consisting of four sites which can take two tents each, an ablution block and a communal kitchen.

ILM assists with the marketing and reservations for this facility from its reservations office and provides management support at the campsite.

## 15. Kuidas Camp

### KEY FEATURES

Partnership between:	Skeleton Coast Fly-In Safaris and Torra Conservancy
Current status:	Under negotiation
Location:	Kunene Region
Partnership type:	2
Type of agreement:	Formal

Skeleton Coast Fly-in Safaris (SCS) has been accredited with making the Skeleton Coast one of Namibia's most famous and exclusive tourism destinations. The Skeleton Coast is one of the world's most treacherous and barren shorelines, the product of dense coastal fogs and cold sea breezes caused by the icy Benguela Current. Scores of ships and mariners have met their end here foresting its aura of mystery and impenetrability. SCS has been in operation since 1982 and has constructed several camps both in and outside its concession in the Skeleton Coast National Park. At present, three camps exist on communal land: Kuidas, Kunene and Purros, (see Inventory Nos 16 and 26).

Kuidas Camp is situated at the Terrace Fountain in the Torra Conservancy and is the most southern of SCS' camps, close to the border with the park. The Kuidas Camp used to be part of the Doros Concession which was initially administrated by the Damara Government, who received an annual fee from SCS of N\$ 10,000 and an additional visitor levy of N\$ 50. After independence, these amounts were paid to the central government in Windhoek. When the concession expired it was not renewed by the central government due to the evolving communal area conservancy legislation. The Torra Conservancy has now applied for a PTO for the site, which never existed separately from the concession agreement. There are ongoing discussions whereby SCS is looking for the re-establishment of a new concession in a contract with the Torra conservancy and have indicated an amount of N\$ 50 per visitor as bed night levy plus an annual lease fee of approximately N\$ 3000. However there are doubts over the future of the camp since the MET appears to be reluctant to issue Torra with the PTO as the site falls in a sensitive area.

## 16. Kunene Camp

### KEY FEATURES

Partnership between:	Skeleton Coast Fly-In Safaris and Hartmann Valley Community
Current status:	Under negotiation
Location:	Kunene Region
Partnership type:	3, 2
Type of agreement:	Informal

Kunene Camp, on the Kunene River, is located in the proposed Marienfluss Conservancy. SCS have an informal agreement with the community, contributing a bed-night levy of N\$10 per person which amounts to around N\$6,000 annually. SCS have indicated that they would renegotiate a revenue-sharing agreement with the Marienfluss conservancy (once gazetted) if certain conservation goals are met – for example efforts have been made by the company to persuade the Himba not to grow vegetables on the pristine banks of the river as it interfered with the tourism activities and is (arguably) not a traditional activity of the people (see also Inventory Nos 15 and 26) .

## 17. Lerato Community Lodges

### KEY FEATURES

Partnership between:	Lerato Community Lodges and Various Conservancies
Current status:	Abandoned proposal
Location:	Various
Partnership type:	1
Type of agreement:	Formal

Lerato Community Lodges, a subsidiary of Lerato Holdings – a large South Africa corporation, put forward a proposal to the national CBNRM programme in 1998 to develop a number of small (10 bed) luxury “eco-ethno” tourism lodges throughout Namibia in cooperation with various conservancies as part of a wider project including Botswana and South Africa. In return for a 25 year land lease within various conservancies, Lerato was offering shares in Lerato Leisure Holdings Limited with annual dividends plus a bed-night levy of N\$20. Lerato also wanted the exclusive right to select the site for any lodge development with a particular conservancy plus a first option for any further tourism development.

At a workshop organised by the CBNRM programme, conservancies expressed a number of concerns about the proposal including:

- Lerato was an unknown company in Namibia, with no tourism experience, and conservancy members were concerned about the prospects of dealing with a ‘faceless, foreign company’.
- A 25 year contract was considered too long (especially bearing in mind that Lerato has no track record in either Namibia or in tourism) – plus conservancies are only able to offer concessions on their land, not leases since they do not own the freehold title.
- Despite the share offer the conservancies recognised that they would not have any significant say in the company’s affairs. They would be more interested in a bednight payment related to a percentage of turnover, an annual concession fee and a review of the financial package every five years.

The concerns expressed by the community were not answered satisfactorily by Lerato at a workshop organised by the CBNRM programme and negotiations came to a halt. There is no indication that Lerato has pursued the concept in other countries.

## 18. Lianshulu Lodge<sup>8</sup>

KEY FEATURES	
Partnership between:	Lianshulu Lodge and neighbouring villages
Current status:	On hold due to disruption of tourism in Caprivi
Location:	Caprivi Region
Partnership type:	3
Type of agreement:	Informal

Lianshulu Lodge holds one of only two concessions in national parks in Namibia and operates in the Mudumu National Park, East Caprivi. Until tourism was brought to a halt in the region following secessionist activities and political unrest, the Lodge maintained a series of partnerships with its neighbouring villages (see also Inventory Nos 19 and 20). These five communities – Lizauli, Lianshulu, Sauzuo, Sachona and Lubuta comprise a total of approximately 750 households, and several thousand people.

In 1993, following discussions with the Linyati Khuta (the Mafwe tribal authority) and IRDNC, Lianshulu Lodge instituted a bed night levy of N\$5 per tourist, per night to be paid to the five neighbouring communities. By 1995 the lodge had accumulated N\$26,000 and distributed the funds. Three of the villages – Sauzuo, Lianshulu and Lizauli divided the money between individual households, generating N\$35 per household, while Lubuta and Sachona used their share of the funds for community projects. Following a workshop in 1999, both the villagers and the lodge management agreed the bed night levy would have been better spent on community income-generating projects rather than being distributed to individual households and that if there were to be a second distribution that would be the preferred option. Unfortunately recent episodes of unrest in Caprivi have resulted in lots of cancellations at the lodge and a consequent severe decline in income to the extent that the lodge feels it can not pay out a levy at this stage.

In addition to the bed levy the lodge was providing a number of other benefits to its neighbours:

- **Compensation for lion kills:** The lodge compensates the surrounding communities (7-8 km to the South or North of the park) for any cattle clearly killed by lions.
- **Compensation for wildlife quota foregone:** The Mayeyi Traditional Authority is entitled, by the MET, to take six buffalo from the park per year for community feasts etc. As compensation for not doing this, the lodge buys them six cattle a year for their annual celebrations in lieu of buffalo.
- **Direct employment:** When operating at full capacity the lodge employs around 40 local staff and provides accommodation, food and training.
- **Other initiatives:** The lodge also provides other assistance to the neighbouring communities e.g. a monthly ration of milie meal, tea, coffee etc to the Khuta, visits by a nurse, car repairs, building repairs etc; plus it operates an open invitation to local schools in the area to visit the lodge and learn about conservation, wildlife and tourism.

The various arrangements that Lianshulu Lodges has with the communities around Mudumu National Park appear at first glance very one-sided, but the lodge management sees good relations with the neighbouring communities as essential to the long-term protection of the area and the tourism product. Demonstrating to local communities that wildlife conservation pays in the form of benefits from tourism therefore makes good, long-term business sense. The lodge also values the support it gets from the local tribal authority in helping to resolve any employment disputes, particularly when staff have been laid off as a result of under-occupancy during the periods of disturbance.

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<sup>8</sup> See Volume 1 Case Study No 2

## 19. Lianshulu Community Campsite

### KEY FEATURES

Partnership between:	Lianshulu Lodge and Lianshulu Village
Current status:	Proposal on hold due to disruption of tourism in Caprivi
Location:	Caprivi Region
Partnership type:	6
Type of agreement:	Informal

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

## 20. Lizauli Traditional Village

### KEY FEATURES

Partnership between:	Lianshulu Lodge and Lizauli Community
Current status:	Abandoned due to disruption of tourism in Caprivi
Location:	Caprivi Region
Partnership type:	6
Type of agreement:	Informal

Following a workshop at Lianshulu Lodge in 1992, the lodge embarked on an initiative in 1993 to assist the Lizauli Community, 13 km north of the lodge, to develop a traditional village as a tourist attraction. Lianshulu put up N\$20,000 to build the village and to provide advice on managing it as a tourist attraction. The lodge offered excursions to the village amongst the activity options that are included in the full-board rate. Members of the Lizauli community provided tourists with guided tours of the village, demonstrating traditional practices and providing dancing displays for which tourists paid a N\$20 entrance fee. The village also includes a craft stall, to sell crafts made by Lizauli community members. The village was doing well until disruption of tourism in the region in 2000, with N\$10,000 of the capital investment has been repaid to Lianshulu Lodge and the remaining N\$10,000 written off. Since 2000 the traditional village has been abandoned and it is not clear if resources will be available to revitalise the initiative when tourism recommences in the region.

## 21. Mowani Mountain Camp

### KEY FEATURES

Partnership between:	Mowani Mountain Camp and Uibasen Conservancy
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	1
Type of agreement:	Formal

Close to the famous rock art sites of Twyfelfontein, the Mowani Mountain Camp is a new development based on an agreement with the Uibasen Conservancy. A signed contract exists but at the time of writing the contents of the contract had not been examined by the authors. However, the Uibasen Conservancy has indicated that it is very happy with the agreement.



## 22. Mud Hut Trading<sup>9</sup>

<b>KEY FEATURES</b>	
Partnership between:	Mud Hut Trading and Various Communities
Current status:	Ongoing
Location:	Various
Partnership type:	8
Type of agreement:	Formal

Mud Hut Trading (MHT) works with over 1000 producers, mainly women, in various parts of Namibia including, Kavango, Nyae Nyae and Caprivi. The total turnover of Mud Hut Trading was N\$ 500,000 in 1998, most of which (85%) was sold through the Crafts Centre in Windhoek. But taking into account local sales, turnover of crafts from the groups in the MHT programme was N\$850,000.

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

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

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<sup>9</sup> See Volume 1 Case Study No 7

## 23. Nyae Nyae Hunting Concession

### KEY FEATURES

Partnership between:	La Rochelle and Nyae Nyae Conservancy
Current status:	Ongoing
Location:	Otjozondjupa Region
Partnership type:	4
Type of agreement:	Formal

Namibia is home to one of the most interesting and mysterious cultures still found in the world today—the San. One distinct San group, the Ju/'hoansi, has been involved in community-based tourism for several years. The Ju/'hoansi reside in the eastern Otjozondjupa Region which for tourism purposes, is still referred to as "Bushmanland". The Ju/'hoansi formed the first communal area conservancy to be registered in Namibia comprising of some 30 villages, occupied by approximately 2000 people in a 9000 km<sup>2</sup> area.

In 1998, the government of Namibia opted for the auction of communal area hunting concessions. As Nyae Nyae was registered as a conservancy, it was given the choice to have its quota auctioned or to sell it directly to a bona fide professional hunter or safari company. Although potentially the price received through a government auction could be higher, there was a fear amongst the conservancy committee that one of the hunting companies who had previously operated in the area and who the Ju/'hoansi did not like, would obtain the concession again.

The conservancy, with the support and facilitation of the LIFE project, approached the La Rochelle Hunting Farm and negotiated a deal which came close to the average auction value. The contract drafted and later signed was based on lessons learned from Zimbabwe and the input of a consultant. The reserve price was set at N\$ 80,000 and La Rochelle offered N\$85,000. The two-year contract (1998/99) was signed in US\$ and was eventually worth N\$ 115,000 due to exchange rate changes, of which N\$ 50,000 was distributed directly in cash to the conservancy members and N\$ 65,000 was used for the management and operation of the conservancy.

When a new contract was due to be negotiated, the conservancy opted for a tender procedure to obtain a potentially better package. The tender was well received and a total of six companies were shortlisted based on the value of the package offered. It is interesting to know that La Rochelle was not amongst the first six, but they were invited to bid based on good faith. The conservancy drafted a ranking of tenders and confronted La Rochelle with their last place in the ranking and offered them a chance to reconsider their offer. This was primarily done because the conservancy was pleased with the relationship between themselves and the professional hunter conducting hunts in the area. La Rochelle accepted this change to increase the proposed package by more than 100%. A contract was signed for N\$ 260,000 in 2000, N\$270,000 in 2001 and N\$280,000 in 2002. In addition to the quota payment, La Rochelle also provide training (including as professional hunters) and employment (as trackers, skimmers, cooks etc) to eleven community members for a minimum of five months in every year.

## 24. Okarohombo Campsite<sup>10</sup>

KEY FEATURES	
Partnership between:	Kaokohimba Safaris and Marienfluss Himba communities.
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	6
Type of agreement:	Becoming formalised

Okarohombo Campsite was constructed in 1992 by Kaokohimba Safaris to complement its main enterprise at Camp Syncro (see Inventory No 2). During the period 1994 to 1998 Kaokohimba Safaris made annual payments of 20 per cent of the gross revenue of the campsite to the local Himba community. As a result of these payments and increased awareness within the community that there was money to be earned from tourism, pressure grew on the Kaokohimba Safaris to hand over the campsite to the community and ownership was transferred in 1999. Kaokohimba Safaris has since assisted the community to raise funds to upgrade the campsite and then carried out the building works plus the transport of all materials to the site against a marginal reimbursement. The value at the time of the handover, was estimated at N\$ 5000. Four serviced sites (toilet and shower) are now available and a turnover of ±N\$ 30,000 was made in 1999.

The community have subsequently approached Kaokohimba Safaris with the request that it administers the money made by the camp, pays salaries, buys rations and provides loans (if approved) to community members. With the development of the conservancy, support NGOs have advised against this initiative. At present, until a detailed tourism plan for the conservancy is drawn up, the formalisation of the agreement has not been further pursued.

## 25. Omarunga Camp

KEY FEATURES	
Partnership between:	Ermo Safaris and Epupa communities.
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	3, 7
Type of agreement:	Formal

Omarunga Camp is one of four camps (see Inventory Nos 5, 6 and 9) at Epupa Falls, on the Kunene River - the border between Namibia and Angola. Constructed in 1991, the Camp offers permanent luxury tents and operates as a lodge for mainly fly-in clients. In 1998, facing a letter of eviction (along with Epupa Camp) from the Ministry of Local Government and Housing an agreement was drafted with the local headman whereby an annual payment of N\$20,000 was agreed for all four camps in the area, with Omarunga's share being N\$8,000. Shortly after the agreement was drafted the wider community protested against the payment of all the money to the headman and have demanded a system whereby the whole community benefits.

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<sup>10</sup> See Volume 1 Case Study No 5

## 26. Purros Camp

### KEY FEATURES

Partnership between:	Skeleton Coast Fly-In Safaris and Purros Conservancy
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	3, 2
Type of agreement:	Informal

Of Skeleton Coast Safaris' (SCS) three camps on communal land (see Inventory Nos 15 and 16) its longest standing relationship is with the Purros community. Purros Camp is located next to the community-based Purros Campsite on the banks of the ephemeral Hoarusib River. As with Kunene Camp, an informal agreement exists whereby the community receives a bed-night levy of N\$ 10 per visitor (amounting to approximately N\$6,000 annually) in return for various conservation activities and tolerance towards local wildlife (mainly elephant).

In addition to the bed-night levy, SCS offer its clients a chance to visit a Himba settlement and buy crafts. It is estimated that the average spending by a visitor is close to N\$ 100 which provides an additional annual income of around N\$ 60,000.

With the formation of a conservancy at Purros, discussions are underway to formalise the partnership and allocate the revenue to conservation activities. SCS has also discussed the idea of a new joint venture with the conservancy somewhat away from the present camp to allow clients to relax for a couple of days after a safari.

## 27. Salambala Hunting Concession

### KEY FEATURES

Partnership between:	Wésé Adventures and Salambala Conservancy
Current status:	Ongoing
Location:	Caprivi Region
Partnership type:	4
Type of agreement:	Formal

The smallest of Namibia's registered communal area conservancies is found in the Salambala Forest of the East Caprivi. The Salambala Forest lies north of, but adjacent to the Chobe River floodplain in East Caprivi. It is composed of dense mopane woodlands, which eventually dissipate into highly productive grasslands. Historically, it was an area rich in wildlife, containing such high-value species as red lechwe, buffalo, roan and sable antelope, cape buffalo, elephant, hippo and mixed predators of importance to Namibia's wildlife heritage. Members of the Basubia Tribe who have traditionally valued the area for its rich wildlife and forest resources inhabit the Salambala Forest and surrounding area. However, in more recent times, and with the decline in wildlife numbers, the area has been subject to sparse settlement and is widely utilised for livestock grazing and as a source of natural resource products such as mopane poles, thatching grass, veld foods etc.

At a workshop held by the Salambala Management Committee in 1998 a number of development options for the Salambala Conservancy were discussed. During these discussions it was decided that it would take several years for the conservancy to build up its wildlife base and species-diversity to a level that would attract viable numbers of tourists. As a result, during the initial years of the conservancy operation, there would be a need to pursue income from limited amounts of safari hunting. Assisted by the LIFE programme and based on the lessons learned from the Nyae Nyae hunting contract (see Inventory No 21), Salambala invited professional hunters to bid for the trophies allocated by the Ministry.

An invitation to bid was sent to 35 companies of whom four replied. The committee selected Wésé Adventures based on the price offered. A two-year hunting concession was negotiated (1998 + 1999) which included a zero quota for 1998 – ie providing a double quota for 1999. A price of N\$ 180, 000 for the double quota was agreed with Wésé Adventures, with an extension at N\$135,000 per year for 2000 and 2001. In addition the agreement included provisions for staff positions to be recruited from the conservancy community and for elephant meat to be distributed to selected communities at Wésé Adventures' cost. Wésé Adventures are also currently working with Salambala to develop a permanent tented lodge on the Chobe River for photographic safaris as a joint venture. Support NGOs have initiated a tourism planning exercise for the area to safeguard the best possible deal in lodge development. It is therefore, at present, not clear if the Wésé Adventures proposal will go ahead.

## 28. Spitzkoppe Camp

<b>KEY FEATURES</b>	
Partnership between:	Uri Adventures and Spitzkoppe Community
Current status:	Proposal abandoned
Location:	Erongo Region
Partnership type:	1
Type of agreement:	Formal

The Spitzkoppe Mountain is a unique landmark in Namibia. It is a well-known and frequently visited destination by both international and local travellers en route to Swakopmund. The mountain is located on fenced communal land and a PTO is held by the Spitzkoppe Community Project.

Uri Adventures is a new tour operator owned by three enterprises: Uri Veldmotors, Whitewater Eco Tours and Ritz Tours. Whitewater Eco Tours operates mainly rafting trips on the Kunene river. Ritz Tours is the tour operator division of Ritz Sure Travel, a large Namibian outbound travel office. Uri Veldmotors is the manufacturer of the Uri 2x4 off-road vehicle with which overland tours are conducted in Namibia. Uri Adventures contacted the community as well as the Namibia Community Based Tourism Association (NACOBTA) to assist with facilitation of a partnership to establish an exclusive and permanent camp at the Spitzkoppe Mountain. The Spitzkoppe community would have to set aside an exclusive area for the construction of the Camp, away from the existing community-owned Spitzkoppe Restcamp. Controlled by Uri, the site would also offer bookings to other tour operators.

In June 2000, NACOBTA drafted an investment portfolio for Spitzkoppe to encourage other private companies to tender for the site and to allow a comparison with the Uri Adventures offer, but Uri subsequently pulled out of the negotiations. NACOBTA subsequently initiated a public invitation to tender for the development of a lodge at the mountain. The community has made a preliminary selection of a partners and negotiations are continuing.

## 29. Susuwe Island Lodge

<b>KEY FEATURES</b>	
Partnership between:	Island Lodge Management and Mayuni Conservancy
Current status:	Ongoing
Location:	Caprivi Region
Partnership type:	1
Type of agreement:	Formal

Susuwe Island Lodge is a luxury lodge which evolved as a joint venture partnership agreement between Island Lodge Management (ILM) and the Mayuni Conservancy which also includes Kubunyana Campsite (Inventory No 14). The Lodge is set on the remote Birre Island in the Kwando River, within the Bwabwata National Park and was sanctioned by the MET upon completion of a full Environmental Impact Assessment.

ILM negotiated with the Mayuni Conservancy for exclusive rights to develop a lodge on Birre Island – an area that would be unsuitable for any community-based enterprise since it can only be reached by fly-in clients, and hence attracts the upper end of the market. In return, ILM contractually:

- i) Funded, developed and built Kubunyana Campsite (Inventory No 14) at a cost of N\$120,000. The Campsite is community owned, and all remuneration goes directly to the conservancy. ILM provides ongoing marketing and reservations support as well as management support and training.
- ii) Pays a percentage of turnover to the conservancy which escalates annually over six years.
- iii) Pays N\$24,000 per annum as a “concession fee” for the tourism rights within the Bwabwata National Park granted to the conservancy by the MET.

In turn the conservancy is obliged to conduct anti-poaching activities and to limit burning within the tourism areas for the conservancy.

In the eight months to date since opening the lodge, monies have also been distributed as compensation for cattle killed by lions and cattle have been bought by ILM in lieu of the buffalo quota given to the Traditional Authority for community feasts ( as similar arrangement to that instigated by Lianshulu Lodge (Inventory No 18).

The Lodge employs 22 people full time and has a building team of eight people.

### 30. Torra Hunting Concession

<b>KEY FEATURES</b>	
Partnership between:	Savannah Safaris and Torra Conservancy
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	4
Type of agreement:	Formal

Torra conservancy is currently the only community in Namibia that has both tourism and hunting agreements. In addition to its joint venture at Damaraland Camp with Wilderness Safaris (see Inventory No 3) Torra also has an agreement with Savannah Safaris for its hunting concession. In 1999 Savannah Safaris paid an area fee of N\$17,000 plus fees per animal shot which amounted to N\$120,000. In addition, it was agreed that meat from animals killed would be distributed locally by the company. There was no provision for formal training in the agreement but people from the community were involved in skinning and thus learnt by doing. The contract rolled over into 2001 with the same conditions.

### 31. Tsumkwe Lodge

<b>KEY FEATURES</b>	
Partnership between:	Tsumkwe Lodge and Nyae Nyae Conservancy
Current status:	Terminated
Location:	Otjozondjupa Region
Partnership type:	3
Type of agreement:	Informal

Eastern Otjozondjupa has been an adventure tourism destination for several years. Both the San culture and the interesting wildlife are a valuable tourism resources in the Nyae Nyae Conservancy. Although the numbers of wildlife in the conservancy are small, they include species such as wild dog and roan antelope not found elsewhere in Namibia outside of protected areas. Elephants migrating through the area are also among the biggest found in the country.

Tsumkwe Lodge is a well-established eight-unit accommodation facility within the town of Tsumkwe which, although within the boundaries, is not included in the Nyae Nyae conservancy . However the Lodge had a number of agreements with the conservancy:

- A 5% bed night levy was paid to the conservancy on all visitors staying at the lodge.
- The conservancy received a 10% commission for all people booked at the lodge on the advertised rack rate.
- The Lodge collected a conservancy entrance fee from all tourists visiting the area.

However, with the opening of the conservancy office, this informal agreement appears to have been terminated.

### 32. Twyfelfontein Country Lodge

KEY FEATURES	
Partnership between:	Namibia Country Lodges and Uibasen Conservancy
Current status:	Ongoing
Location:	Kunene Region
Partnership type:	1
Type of agreement:	Formal

The recent agreement between Uibasen Conservancy and Namibia Country Lodges is not without controversy. Construction had already begun on Twyfelfontein Country Lodge long before a PTO had been issued for the site or an agreement finalised. When the PTO was finally awarded, it was issued in the name of the lodge and not that of the community thus contravening MET guidelines. This happened after the investor indicated to the issuing authority (Ministry of Lands) that he would not be able to obtain a loan from a bank if the PTO was issued in the name of the conservancy. The Conservancy was thus in a very weak position to negotiate a good deal and the contents of the final contract remain to be seen.

### 33. Ugab River Camp

KEY FEATURES	
Partnership between:	Trans Namibia Tours and Brandberg West Community
Current status:	Terminated in 1997
Location:	Erongo Region
Partnership type:	5
Type of agreement:	Formal

The Brandberg area is an international attraction in Namibia with dramatic scenery, common to the southern Damaraland area. The Ugab catchment supports much wildlife of which the black rhino is the most sought-after. North of the famous Brandberg Mountain, on the bank of the ephemeral Ugab River a small camp was developed by the Brandberg West community. A number of adventure tour operators used the site and, recognising its potential value, one community member applied for and was awarded the PTO.

Trans Namibia Tours (TNT) is one of the largest tour operators in Namibia and works in partnership with Namibia's largest coach tour operator – Oryx Tours Namibia. The company is a 100% subsidiary of 'Welcome Tours' which is a leading tourism company in South Africa. In 1994 TNT approached the holder of the PTO for a more permanent partnership based on scheduled tours that would utilise the site. The campsite was upgraded, with all the camp equipment (including a vehicle) supplied by TNT and a contract was signed to create a formal partnership. The community was to maintain the site and manage the camp including preparations for pre-booked arrivals of TNT groups in return for a bed-night fee.

However, over the three years that the agreement was operational, TNT highlighted a range of unsatisfactory incidences relating to the unreliability of the community. The theft of a large generator (valued at approximately N\$ 12000) was one of the major incidences. Among other complaints, there was the issue of continuous misuse of a 4x4 vehicle, for private purposes and resulting damage to the vehicle, and maintenance of the campsite and camping equipment was completely unreliable and unsatisfactory. In addition, the PTO owner had unrealistic expectations as to level of benefits the camp would generate, demanding at one stage half of the fees or at least N\$ 150 per person, pointing to rack-rate price lists obtained from top hotels and lodges. Water supply also became a problem and the MET decided that the camp was too close to the river and has to be moved – thus completely losing the benefit of the large shady trees on the river bank.

Numerous discussions and meetings did not resolve the problems and the need for the involvement of the Windhoek-based managers of TNT increased to an extent that by 1997 the costs could not be justified (TNT calculated that it was incurring a cost of N\$408 per tourist per day) and the agreement was terminated.

### 34. Warmbad

KEY FEATURES	
Partnership between:	Swanson Enterprises and Warmbad residents
Current status:	On hold
Location:	Karas Region
Partnership type:	8
Type of agreement:	Formal

The historic town of Warmbad in Southern Namibia is home to a famous hot springs. The population of Warmbad is estimated at 900 and comprises mainly Bondelswart people, who are part of the larger Nama culture. Warmbad’s ‘Omkhaisen Youth Association’ has been struggling for the right to develop and utilise natural and cultural resources located within the Warmbad town lands, with a particular emphasis on the hot springs.

The hot springs in Warmbad are the property of Swanson Enterprises, a South African mining company.. The company acquired the hot springs from the Ministry of Local, Regional Government and Housing just after independence in 1990 although it took until 1996 before Swanson Enterprises published a business plan for the development of the hot springs.

The hot springs emanate from a rocky outcrop about 25 meters above, and 300 meters away from the Hornsriver . Built next to the springs is a bathhouse dating back to German colonial days. Outside the bathhouse, a large swimming pool, built much later by the South African administration, is also part of the property of Swanson Enterprises. In addition there are numerous old colonial buildings in the town, the ownership of which is disputed between the town council and the Ministry.

The business plan prepared by Swanson Enterprises focuses on the commercial development of the hot springs which are believed to attract between 5,000 and 10,000 visitors annually. The actual financial and employment benefits would come from the development of destination facilities for which external funding is being sought . Accommodation in one of the historical buildings, a restaurant facility, and an upgraded campsite. This idea is packaged into a ‘cultural’ product with the aim to “restore the Nama culture back to its former glory”. How this will be achieved from the restoration of a swimming pool, is not explained.

The Youth Group at Warmbad contacted Swanson Enterprises after having been exposed to the tourism potential for communal area development. Since then, the youth have tried to keep the momentum going by contacting the Ministry of Environment & Tourism to assist in, what they called, “under-utilisation of the only resource able to assist in the development of the community” and publishing regular articles in the national press on the importance of the hot springs and how the community feels robbed of an important asset. However, after little action from Swanson Enterprises the community has become sceptical about the prospects of a partnership.

The community of Warmbad now has received support from donor organisations to develop some of the old buildings into a historical museum.