

World Bank
Tourism Industry: Research and Analysis Phase II

Tourism Product Development
Interventions and Best Practices in sub-Saharan Africa:
Part 2: Case studies



Report to the World Bank

24 December 2010

Dr Anna Spenceley

Spenceley Tourism And Development (STAND)
PO Box 543, Sonpark, Nelspruit, 1206, South Africa

annaspenceley@gmail.com

www.anna.spenceley.co.uk

Table of Contents

1.	Executive summary.....	5
2.	Case Studies.....	7
2.1.	Case study 1: Wildlife-tourism led by private sector operators, &Beyond and Wilderness Safaris	8
2.1.1.	Overview	8
2.1.2.	Motivation of the actor.....	9
2.1.3.	Relevance to policy	10
2.1.4.	Effectiveness and impact.....	10
2.1.5.	Innovation and noteworthy issues	11
2.1.6.	Sustainability	13
2.1.7.	Successes and Constraints	17
2.1.8.	Acknowledgements	19
2.1.9.	Acronyms	19
2.1.10.	References	19
2.2.	Case study 2: The wildlife conservancy program in Namibia	21
2.2.1.	Overview of the concept.....	21
2.2.2.	Motivation of the actors.....	22
2.2.3.	Relevance to policy	23
2.2.4.	Effectiveness and impact.....	24
2.2.5.	Innovation and noteworthy issues	24
2.2.6.	Successes and sustainability.....	25
2.2.7.	Successes and Constraints	30
2.2.8.	Acknowledgements	31
2.2.9.	Acronyms	31
2.2.10.	References	32
2.3.	Case study 3: Hiking tourism on Mount Kilimanjaro, Tanzania	33
2.3.1.	Overview of the concept.....	33
2.3.2.	Motivation of the actors.....	33
2.3.3.	Relevance to policy	34
2.3.4.	Effectiveness and impact.....	35
2.3.5.	Innovation and noteworthy issues	36
2.3.6.	Success and sustainability	36
2.3.7.	Successes and Constraints	41
2.3.8.	Acknowledgements	43
2.3.9.	Acronyms	43
2.3.10.	References	43
2.4.	Case study 4: Beach tourism in the Seychelles	45
2.4.1.	Overview of the concept.....	45
2.4.2.	Motivation of the actor.....	46
2.4.3.	Relevance to policy	47
2.4.4.	Effectiveness and impact.....	48
2.4.5.	Innovation and noteworthy issues	49
2.4.6.	Sustainability	49
2.4.7.	Successes and Constraints	54
2.4.8.	Acknowledgements	55
2.4.9.	Acronyms	55
2.4.10.	References	56
2.5.	Case study 5: Cultural tourism in Zanzibar.....	58
2.5.1.	Overview of the concept.....	58
2.5.2.	Motivation of the actor.....	58
2.5.3.	Relevance to policy	60
2.5.4.	Effectiveness and impact.....	61
2.5.5.	Innovation and noteworthy issues	62
2.5.6.	Sustainability and success	62
2.5.7.	Successes and Constraints	71
2.5.8.	Acknowledgements	73

2.5.9.	Acronyms	73
2.5.10.	References	73
2.6.	Case study 6: Cultural tourism in the Pays Dogon, Mali	76
2.6.1.	Overview of the concept.....	76
	Images of Mali.....	77
2.6.2.	Motivation of the actor	78
2.6.3.	Relevance to policy	79
2.6.4.	Effectiveness and impact.....	79
2.6.5.	Innovation and noteworthy issues	80
2.6.6.	Sustainability.....	80
2.6.7.	Successes and Constraints	84
2.6.8.	Acknowledgements	86
2.6.9.	Acronyms	86
2.6.10.	References	86
2.7.	Case study 7: Business and conference tourism in Nairobi, Kenya.....	89
2.7.1.	Overview of the concept.....	89
2.7.2.	Motivation of the actors.....	90
2.7.3.	Relevance	91
2.7.4.	Effectiveness and impact.....	91
2.7.5.	Innovation and noteworthy issues	93
2.7.6.	Success and sustainability	93
2.7.7.	Successes and Constraints	95
2.7.8.	Acknowledgements	95
2.7.9.	Acronyms	96
2.7.10.	References	96
3.	Annexes	98
3.1.	Annex 1: Challenges and potential solutions to tourism development in Pays Dogon.....	98
3.2.	Annex 2: Laws Relevant to the Tourism Sector in Kenya	101

Tables

Table 1: Overview of the case studies	6
Table 2: Case study contents	7
Table 3: A snapshot of &Beyond and Wilderness Safaris	8
Table 4: Innovation at Wilderness Safaris and &Beyond	11
Table 5: Sustainable Tourism Checklist, from &Beyond.....	13
Table 6: Similarities and contrasts between Wilderness Safaris and &Beyond.....	18
Table 7: Some useful weblinks on Wilderness Safaris and &Beyond	18
Table 8: Impacts of the concessioning program in Etendeka, Palmwag conservancy	24
Table 9: Economic cost–benefit analysis of Namibia’s entire CBNRM programme (US\$ ^a , constant 2005 values, rounded)	27
Table 10: The effect of donor grants (non-use values) on the financial rate of return to communities in the five Namibian conservancies in 2000.....	30
Table 11: Some useful weblinks on the Namibian conservancies.....	31
Table 12: Distribution of Mount Kilimanjaro tourist expenditure	37
Table 13: Average Mount Kilimanjaro climbing staff, pay per day during a 7-day trip.....	38
Table 14: Some useful weblinks on Mount Kilimanjaro.....	43
Table 15: Tourism accommodation and occupancies between 2004 and 2008.....	48
Table 16: Comparison of travel and tourism economies	50
Table 17: Spend by tourists within the tourism value chain.....	51
Table 18: Employment across the tourism sector in the Seychelles, between 2006 and 2008.....	52
Table 19: Some useful weblinks on the Seychelles.....	55
Table 20: Distribution of income from different types of accommodation in Zanzibar (US\$).....	64
Table 21: Pro-poor revenue from tourism in Zanzibar.....	65
Table 22: Some useful weblinks on Zanzibar	73
Table 23: Rural communes with tourism assets in Mali.....	80
Table 24: Some useful weblinks on Mali	86
Table 25: Basic Characteristics of Business/Conference Facilities in Nairobi (2006).....	92

Figures

Figure 1: Average monthly income of community members adjacent to Wilderness camps, 2009	14
Figure 2: Distribution and use of funds at the Wilderness Wildlife Trust.....	15
Figure 3: Income and disbursements in the Torra Conservancy 1999-2004: <i>Income to the conservancy and households</i>	28
Figure 4: Wildlife increases in 7 conservancies in the Caprivi: Salambala, Mayuni, Mashi, Wuparo, Kwandu, Impalila and Kasika	29
Figure 5: International visitor arrivals to Tanzania (2000-2007)	36
Figure 6: Cost components of a typical mountain-climbing holiday (from US\$1,376 in-country expenditure)....	37
Figure 7: Example of the annual staff demand for climbers	38
Figure 8: Mount Kilimanjaro climber expenditure.....	39
Figure 9: Pro-poor revenue in Zanzibar from tourism.....	63
Figure 10: Value chain for paintings in Zanzibar	66
Figure 11: Landscaping plan for the renovation of Forodhanai Gardens	69
Figure 12: Popularity of excursions in Zanzibar	70
Figure 13: Simplified value chain analysis for tourism in the Pays Dogon	81
Figure 14: Distribution of tourism spend by sector, and the impact on poverty in Pays Dogon	81
Figure 15: Value chain diagram of MICE tourism in Nairobi.....	94

Boxes

Box 1: What is sustainable tourism?	5
Box 2: Key issues in the &Beyond and Wilderness Safaris case study	9
Box 3: Institutional arrangements at Rocktail Beach Camp, South Africa, by Wilderness Safaris	12
Box 4: Joint venture operation institutional arrangement: Phinda, &Beyond	12
Box 5: Environmentally sensitive construction at Damaraland Camp, by Wilderness Safaris in Namibia	15
Box 6: Conservation and environmental education at Phinda, South Africa &Beyond.....	16
Box 7: What is a conservancy?.....	21
Box 8: Key issues in the conservancy case study.....	22
Box 9: What is a concession?	23
Box 10: How are the financial and economic values measured?	26
Box 11: Case study example: The Torra conservancy	27
Box 12: Social impacts of joint-ventures in Torra conservancy.....	29
Box 13: Key issues in the Mount Kilimanjaro case study.....	34
Box 14: Key issues in the Seychelles case study.....	45
Box 15: Key issues in the Zanzibar case study.....	58
Box 16: Relationship between central and local government in Zanzibar	61
Box 17: Land and infrastructure in Zanzibar.....	67
Box 18: Key issues in the Pays Dogon case study	76
Box 19: Cultural World Heritage Sites in Mali	76
Box 20: Perceptions of tourism by residents in Pays Dogon.....	83
Box 21: Key issues in the Nairobi MICE case study.....	89
Box 22: What is MICE tourism?	90

1. Executive summary

Africa is a melting pot of innovation, success and failure in the use of tourism to reduce poverty, conserve nature, and preserve cultural heritage. There is a rich diversity of iconic destinations and experiences on the African continent, in addition to luxury safari lodges in wildlife-rich savannahs, coral-lined beaches, snow-topped mountains and unique architecture and culture. These riches are in stark contrast to the negative connotations of poverty, incidents of civil unrest and corruption that are often portrayed in the media. Sustainable tourism provides an optimistic and proactive view of how the travel industry can be harnessed to stimulate economic opportunities for nations and their people; can help to finance the conservation of natural areas and fragile habitats, while also strengthening societies and enriching their cultures (see Box 1).

Box 1: What is sustainable tourism?¹

Sustainable tourism development guidelines and management practices are applicable to **all forms of tourism in all types of destinations**, including mass tourism and the various niche tourism segments. Sustainability principles refer to the **environmental, economic and socio-cultural aspects** of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability. Thus, sustainable tourism should:

- 1) Make **optimal use of environmental resources** that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
- 2) Respect the **socio-cultural authenticity of host communities**, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance.
- 3) Ensure viable, **long-term economic operations**, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the **informed participation of all relevant stakeholders**, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary.

Sustainable tourism should also maintain a **high level of tourist satisfaction** and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them.

This report contains a series of stand-alone case studies, describing seven innovative and successful sustainable interventions and destinations in sub-Saharan Africa (SSA). The case studies relate to (1) luxury wildlife tourism by the private sector companies Wilderness Safaris and &Beyond; (2) the wildlife conservancy program in Namibia; (3) hiking tourism on Mount Kilimanjaro, Tanzania; (4) beach tourism in the Seychelles; (5) cultural tourism in Zanzibar; (6) cultural tourism in the Pays Dogon of Mali; and (7) business tourism in Nairobi, Kenya. An overview of the cases and their content is provided below in Table 1.

¹ WTO, 2004

Table 1: Overview of the case studies

Theme	Location	What the case study describes
Wildlife-tourism led by private sector operators, &Beyond and Wilderness Safaris	Sub-Saharan Africa	Illustrates the types of beneficial impacts the private sector can have in destinations (on the economy, environment, and society). As illustrations, it draws on two particular lodges within each group for specific examples: Damaraland Camp in Namibia (Wilderness Safaris) and Phinda Resource Reserve in South Africa (&Beyond). The case also includes the basic enabling environment requirements that are required to attract and support such investors to help replicate these conditions.
The wildlife conservancy program	Namibia	Demonstrates an example of using land tenure and responsibility for wildlife as a mechanism for financial and economic growth. This program has provided a mechanism that has led to the sustainable use of wildlife resources, stable land tenure for rural Namibians, and improved livelihoods. It has also provided the basis for communities to develop tourism enterprises within conservancies: either through joint-ventures with the private sector, or as community-based tourism operations.
Hiking tourism on mountains	Mount Kilimanjaro, Tanzania	Concentrates on the pro-poor financial benefits distribution and environmental impacts of tourists in a tourist destination with climbing the mountain as an example, and provides lessons on how to enhance benefits to the local communities in similar mountain destinations. Destinations that wish to develop hiking tourism in mountainous regions in such a way that it conserves the natural environment, while providing viable livelihood opportunities for local people will find this case useful. It also raises issues of the 'shelf life' of iconic tourism destinations, and how branding and destination management adapt over time.
Beach tourism	Seychelles	Describes how government can provide a stable enabling environment for tourism investment on a network of islands. This has been done by formulating appropriate policies, by partnering with international agencies that bring targeted investment and technical assistance, and by providing space and dialogue with conservation NGOs.
Cultural tourism	Zanzibar	Describes a rich cultural destination which is struggling to balance the needs of its residents; the conservation of its heritage; and the economic, social and environmental impacts of rapidly growing tourism.
Cultural tourism	Pays Dogon, Mali	Illustrates why this destination has succeeded over other areas in the country, due to the collaboration of agencies, and interventions on product and service development, human resource development, marketing and promotion, and market linkages. Tourist numbers to the Pays Dogon have increased and tour operators are keen to promote the area.
Business and conference tourism	Nairobi, Kenya	Shows how a destination renowned for its leisure product, has adapted its marketing and promotion focus and has strengthened a different tourist segment (business tourism) in order to catalyse its recovery. The case will be useful to other destinations that are heavily focussed on a narrow range of tourism products and experiences that they wish to diversify. It also offers lessons to destinations on how to survive the ups and downs of the sector caused by political instability. In addition, the case shows the importance of decent vocational training in the Meetings, Incentives, Conferences, and Exhibitions (MICE) sector, and also that international accessibility is paramount for regional travellers.

A synthesis of the key findings of the case studies can be found in the companion report (Part 1). The synthesis report also contains information about the approach and a broad market scan of actors working on sustainable tourism in SSA.

2. Case Studies

The case studies were all compiled in line with the common evaluation framework, and explored the following five themes:

- **Relevance to policy:** The extent to which the activity aligned to local and national and regional development priorities and policies;
- **Effectiveness and impact:** The extent to which objectives have been achieved, and impacts observed;
- **Innovation and noteworthy issues:** The extent to which interventions are unique, noteworthy, exceptional and pioneering;
- **Sustainability:** The implications for the triple bottom line of sustainable development: (1) economic sustainability, including poverty reduction, job creation, business viability and benefits generated throughout society; (2) environmental sustainability, including biodiversity conservation, resource use and waste management; and (3) social and cultural sustainability, incorporating the conservation of cultural heritage and net-benefits for resident populations; and
- **Successes and constraints:** Consideration of what has worked, what has not worked, what the implications are to competitiveness and investment, and what future interventions would be beneficial.

The case studies follow, as outlined in Table 2.

Table 2: Case study contents

Section	Case study
2.1	Case study 1: Wildlife-tourism led by private sector operators, &Beyond and Wilderness Safaris, in Sub-Saharan Africa
2.2	Case study 2: The wildlife conservancy program, Namibia
2.3	Case study 3: Hiking tourism on Mount Kilimanjaro, Tanzania
2.4	Case study 4: Beach tourism in the Seychelles
2.5	Case study 5: Cultural tourism in Zanzibar
2.6	Case study 6: Cultural tourism in the Pays Dogon, Mali
2.7	Case study 7: Business and conference tourism in Nairobi, Kenya

Case studies were drafted from a literature review, and internet-based research, coupled with information gathered from actors working in the relevant destinations. Draft cases were reviewed and validated first by the destination actors, and then by the World Bank.

2.1. Case study 1: Wildlife-tourism led by private sector operators, &Beyond and Wilderness Safaris

2.1.1. Overview

This case study will be useful to governments who wish to attract responsible and commercially successful tourism investors into their natural areas. The case illustrates the types of impacts the private sector can have in destinations (on the economy, environment, and society). As illustrations, it draws on two particular lodges within each group for specific examples: Damaraland Camp in Namibia (Wilderness Safaris) and Phinda Resource Reserve in South Africa (&Beyond). The case also includes the basic enabling environment requirements that are required to attract and support such investors to help replicate these conditions.

& Beyond and Wilderness Safaris are two of the most significant sustainable luxury safari tourism operator/developers working across Africa. They both have an impressive track record of active conservation of habitats and species; sensitive infrastructure development in ecologically important destinations; and of ensuring local economic benefits to communities through employment, procurement, and joint-venture operations.

Their networks of operations means that their business models are more robust to unpredictable risks and shocks (such as the financial crisis and euro crisis) than individual enterprises are. This is partially because their ‘eggs are not all in one basket’, and also due to their wide network of clients for cross-marketing, and their ability to cross-subsidise enterprises (e.g. between profitable and less successful lodges). The two companies are also interesting because of their common approach to generating profits in a synergistic approach that simultaneously requires conservation and community development.

Table 3: A snapshot of &Beyond and Wilderness Safaris²

	Wilderness Safaris	& Beyond
Countries of operation (with number of destinations in brackets)	7 countries: Botswana (30), Namibia (17), Malawi (6), Seychelles (1), South Africa (3), Zambia (10), Zimbabwe (6)	7 countries: South Africa (8), Namibia (1), Botswana (7), Kenya (1), Tanzania (6), Zimbabwe (1), India (4)*
Number of operations	>70	46
Area of influence	2.8 million hectares of land, in 8 of 11 biomes of southern Africa	400 000 hectares in Africa ³ .
Type of company	Public (listed on Botswana Stock Exchange 8 April 2010)	Company owned by two major shareholders, Capricorn (the Enthoven family originally from South Africa) and the Getty Family Trust.
Years of operation	27 years	20 years

² Wilderness Holdings Ltd, 2010; &Beyond, undated; Pers Com. Roche, 2010; Pers Com. Walley, 2010. *Note that some of these destinations have more than 1 lodge

³ The area of land in India was not available at the time of this case study.

Box 2: Key issues in the &Beyond and Wilderness Safaris case study

- The luxury safari tourism market can generate significant returns in destinations including local employment and training, capital investment, local procurement, biodiversity conservation, and corporate social responsibility.
- Large portfolios of high quality lodges, in varied natural destinations allow for cross marketing, for clients to take return visits within the group.
- Destinations need to provide an enabling environment including stable land tenure, political stability, access, suitable infrastructure, a suitable natural destination, and medium- to long-term commitment.

2.1.2. Motivation of the actor

&Beyond and Wilderness Safaris are both private sector operators with a network of luxury safari lodges in Africa, while &Beyond also has lodges in India. Both companies emphasise high quality experiences for their clients, biodiversity conservation and community development.

Wilderness Safaris state that they are “*in the business of building sustainable conservation economies*”⁴. The company is “first and foremost a conservation organization and ecotourism company dedicated to responsible tourism throughout the areas in which it operates in southern Africa. Its goal is to share these wild areas with guests from all over the world, while at the same time helping to ensure the future conservation of Africa’s spectacular wildlife heritage, sharing the benefits of tourism with local communities”⁵. They achieve this through three main mechanisms⁶:

- **Tourism:** Offering journeys and experiences for globally caring travellers, in order to build a thriving and successful business. They do this with vertically integrated product offerings; relationship-based market strategies, and through service-oriented sales programs.
- **Conservation:** Conserving biodiversity and carbon sinks, and engaging with community partners, because they believe that “doing good” creates value for the business. They do this by caring for, educating and empowering people; investing in technologies for operational sustainability, and with inventory research, relocation and rehabilitation to improve biodiversity conservation.
- **Awareness:** Presenting Wilderness both internally and externally, with the aim of positioning the company as the leader in sustainable tourism. They do this by operating a thriving and successful business, by “doing good” and creating value for stakeholders, and by sharing what has been learned.

&Beyond state that their motto is ‘*care of the land, care of the wildlife, care of the people*’, and that this approach attracts wealthy, discerning global travellers who effectively finance wildlife conservation, land restoration and community empowerment⁷. The motto is realised through the active management of land and vegetation and wildlife, coupled with strong relationships with staff and neighbouring communities⁸. The company has a six-point conservation strategy, that addresses (1) environmental impact and sensitivity, (2) sustainable community development, (3) environmental interpretation and awareness, (4) personal commitment of staff, (5) support of conservation organisations, and (6) biodiversity conservation⁹.

⁴ Wilderness Holdings Ltd, 2010: pp3

⁵ Wilderness Holdings Ltd, 2010: pp10

⁶ Wilderness Holdings Ltd, 2010: pp3

⁷ Carlisle, 2007

⁸ Buckley, 2010

⁹ Carlisle, 2007

2.1.3. *Relevance to policy*

Both companies need particular basic conditions to be in place to be attracted to a destination, and to remain in the destination.

Wilderness Safaris requires specific conditions to operate in a particular country and destination. These include that the country needs to be stable politically and economically; have rational economic policies, especially relating to security of tenure, have an established or developing tourism industry, and easy access. Destinations need to have suitable natural attractions, for the type of tourism product offered, availability of suitable and attractive sites for development (with suitable land tenure arrangements), the cost of secure tenure, availability of communities with whom to work, the capability of creating scale in the area, capacity to have a positive impact on the long term sustainability of biodiversity conservation and ease of access. Destinations are evaluated within the framework of four ‘C’s’¹⁰: Conservation, Commerce, Community and Culture. If these four themes cannot be fully realised, other destinations may be explored instead. In some instances Wilderness Safari’s operations follow the national policy frameworks and legislation, and in others their standards have led and guided the development of national standards.¹¹ Previously the company investigated expansion into Gabon, Ivory Coast and Congo Brazzaville, but they do not plan any significant investment in West Africa in the short or medium term¹². Part of the reason that they have not invested in West Africa includes the difficulty of operating on regions where they are not familiar with the terrain or language¹³.

& Beyond requires a compelling natural location, capacity for an interpretative experience, and capacity for “doing well by doing good”. Similarly to Wilderness Safaris, they also require political stability, security of tenure, natural wildlife, access and infrastructure¹⁴.

In addition, both companies need the destinations within their group to ‘fit’ the image of the company, and to be able to cross market them.

2.1.4. *Effectiveness and impact*

Both companies have inevitably been affected by the global financial crisis, and the euro crisis, which affected the travel patterns of their clients.

Wilderness report that the impact of the crisis on demand was sudden. Within three months their reservations went from being ahead of 2009 levels, to 25% behind. In addition, lead times shortened while the time to close booking files lengthened as a result of travelers taking their time to shop around in the search for better value deals or discounted prices. Consequently, occupancy levels in some countries declined from 65% to 59%. However, Wilderness was able to limit the impact on the bottom line by significantly reducing expenditure, without compromising on guest experience or facility maintenance. This resulted in a 4% increase in its gross profit percentage over the previous year. It also reduced its fixed cost base by 13% compared to the prior year. The Group therefore managed to post a profit for the year of Botswana Pula (BWP) 48 million (US\$7.2 million), generating BWP 131 million (US\$19.6 million) of cash from its operations¹⁵.

¹⁰ Zeitz Foundation’s four – C’s <http://www.zeitzfoundation.org/index.php?page=4cs&subpage=ourapproach>

¹¹ Pers. Com. De la Harpe and Roche, 2010

¹² Pers. Com. Roche, 2010

¹³ Pers. Com. De la Harpe, 2010

¹⁴ Pers Com. Walley, 2010

¹⁵ Wilderness Holdings Ltd, 2010: pp10

2.1.5. Innovation and noteworthy issues

Both operators are innovative in their own way. They have many common elements too, in that both promote biodiversity conservation in the areas that they work (sometimes with considerable investment in rehabilitation and management of the land, and research); they promote local employment and training for their staff; they undertake corporate social responsibility initiatives with local communities. Some of the key elements of their approaches are described below in Table 4.

Table 4: Innovation at Wilderness Safaris and &Beyond¹⁶

Wilderness safaris	&Beyond
The first safari operator in Africa to invest time and resources in negotiated joint-venture agreements with local communities. The institutional structure of the joint ventures have changed over time (see Box 3)	Generally owns and operates lodges, but has an innovative joint venture at Phinda as a result of a land claim in South Africa (see Box 4).
Vertical integration using 4 types of business: (1) Safari consulting (tour operation and destination management); (2) transfers and touring (by air and road), (3) camp, lodge and safari exploration operations, (4) finance and asset management.	In addition to owning lodges, &Beyond is also a tour operator, developing tailor-made itineraries for guests at &Beyond and other lodges and luxury hotels outside the group
Charitable arms in the form of the Wilderness Wildlife Trust and Children in the Wilderness.	Has a charitable 'arm' called the &Beyond Foundation. This channels donations from guests and philanthropic organisations

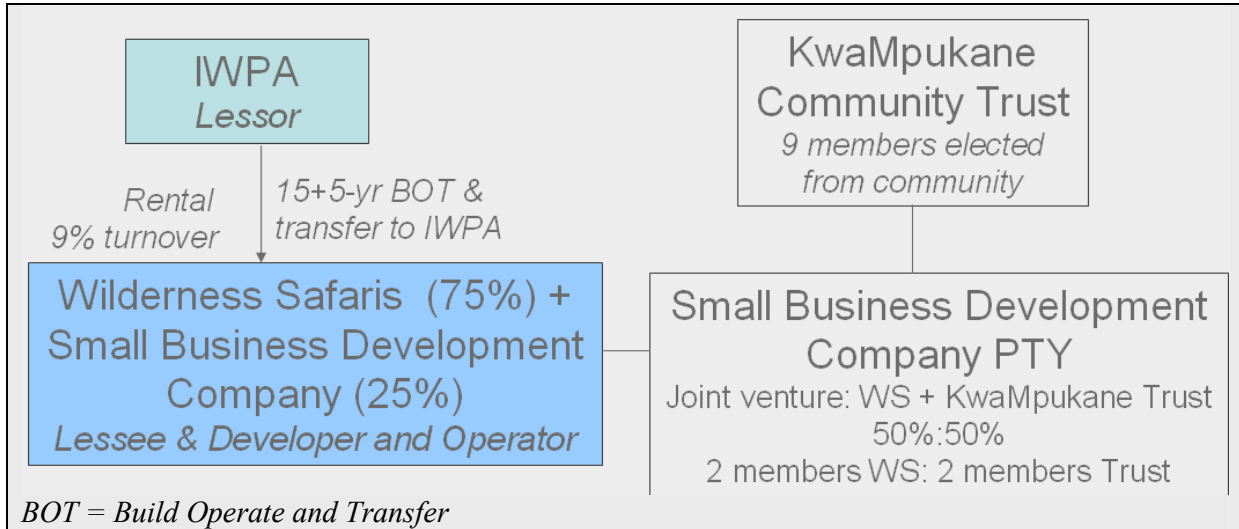
In particular, these companies are notable for their joint venture operations. In Box 3 an example of the institutional structure of second-generation joint-venture model is illustrated, for Wilderness Safaris' Rocktail Beach Camp. In this instance, the iSimangaliso Wetland Park Authority (IWPA) leases the land to a joint-venture between Wilderness Safaris and a Small Business Development Company (SBDC). The SBDC is another joint-venture, this time between WS and the KwaMpukane Community Trust. The reason for having the SBDC as another joint-venture, was due to lessons learned from an earlier initiative, Rocktail Bay Lodge. Here a joint-venture arrangement did not work well. Few jobs were realised, there was consistent mismanagement of dividends that were distributed to a community trust formed within the Mqobela community (despite 3 separate community elections of trustees)¹⁷ Some observers say that the expectations of the Mqobela community were not realistic, and that the benefits of social capital and natural resource assets were offset by the negative elements of conflicts, mistrust, and restrictions in access and use of natural resources¹⁸. The evolution of the community company (the Small Business Development Company PTY) allowed Wilderness Safaris to participate as a joint-partner, and to provide technical expertise in business and financial management.

¹⁶ Wilderness Holdings Ltd, 2010, Spenceley, 2008; Pers Com. Roche, 2010; Pers. Com. Walley, 2010

¹⁷ Pers. Com. Poultney, cited in Spenceley 2008; Poultney and Spenceley, 2001

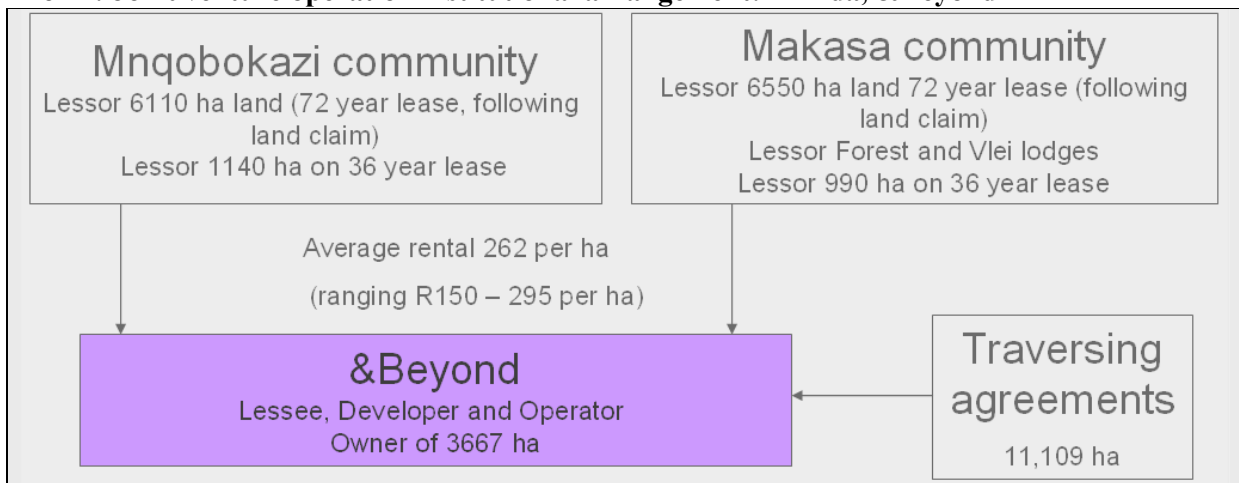
¹⁸ Simpson, 2008

Box 3: Institutional arrangements at Rocktail Beach Camp, South Africa, by Wilderness Safaris¹⁹



For &Beyond, the example of Phinda is a notable innovation, which has created a win-win situation from the land-claims process in South Africa (see Box 4). Previously a privately owned, developed and operated venture, Phinda has become a joint-venture with local communities in 2007, following a land claim that had been gazetted in 2002. &Beyond did not oppose the claim, and was paid R268 million (approximately US\$34.5 million) by the South African government for the return of 12,000 hectares to the communities. Now &Beyond pay rental agreements for areas of land they lease from the communities, and also have traversing agreements to operate their game drives²⁰. The rental income is being used for projects including electrification and education²¹.

Box 4: Joint venture operation institutional arrangement: Phinda, &Beyond²²



& Beyond and other organisations have proposed that establishing private protected area management corporations would provide a transition from international donor funding for conservation to an entirely domestic economy to support public protected areas. National governments could lease operating rights to these corporations, and received funding for them from international donor bodies. They could then lease tourism operating rights to tourism companies

¹⁹ Pers. Com. Poultney, cited in Spenceley 2008; Poultney and Spenceley, 2001

²⁰ Pers Coms Pretorius and Campbell, cited in Spenceley 2008

²¹ & Beyond, undated

²² Pers Coms Pretorius and Campbell, cited in Spenceley 2008

like &Beyond and Wilderness Safaris. This type of approach has already been applied by African Parks²³.

2.1.6. Sustainability

Wilderness Safaris established a Sustainability Committee, comprising a number of its executive and non-executive directors in 2010. The committee will assist the board in developing sustainability strategies and monitoring the implementation²⁴. For example, Wilderness Safaris has commissioned the development of a series of sustainability indicators, in line with the Global Reporting Initiative and the 4C's. These will be used to quantify the company's sustainability performance in their 2010 annual report.

&Beyond operates according to a dynamic six-pronged conservation strategy spearheaded by their Sustainability Forum, with extensive experience in responsible tourism and conservation in Africa and further afield²⁵. They use a sustainable tourism checklist at all of their lodges which includes 14 sets of performance indicators, including environmental management, cultural resource management, water, energy use, being innovative and monitoring guest delight (see example in Table 5).

Table 5: Sustainable Tourism Checklist, from &Beyond²⁶

SUSTAINABLE TOURISM CHECKLIST 07		
LODGE : <u>Phinda Mountain Lodge</u>DATE...12/03/2008		
List completed by : Daryl Dell and Giles <u>Kelmanson</u>		
1 ENVIRONMENTAL MANAGEMENT		
	YES	NO
1. Do you have a natural resources inventory (<u>EcoGuide</u>) <u>Is it attached to this file and used by the guests?</u>	*	
2. Are you operating within the management plan for your area?(<u>If yes attach it?</u>)	*	
3. Do you monitor erosion and compaction of <u>roads pathways and bush dinner sites?</u> (<u>Give examples with Dates</u>)	*	
4. Do you identify and remove alien plant species? (<u>Examples , when last & Dates</u>)	*	
5. Do you use local communities in implementing natural resource management plans? (<u>Examples & Dates</u>)	*	
NUMBER OF YES ANSWERS	5	

The companies state that biodiversity conservation effectively makes business sense. They have demonstrated that conservation that increases wildlife populations correlates with increased occupancies over time; supports the longevity of their businesses (over 20 years for both); and also return visits and referral guests²⁷.

a) Economic

Employment: Both companies recruit extensively from local communities. For example, more than 85% of the Wilderness Safari's staff complement of around 2700, comprises locals from the

²³ Buckley, 2010. For information on African Parks, see www.africanparks-conservation.com

²⁴ Wilderness Holdings Ltd, 2010: pp14

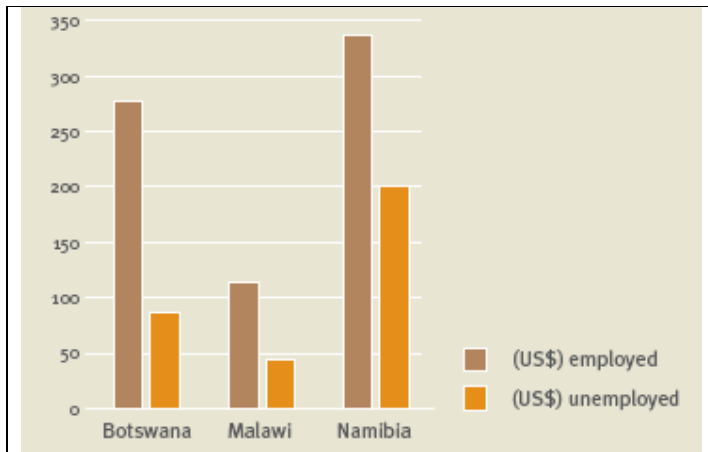
²⁵ &Beyond, undated

²⁶ &Beyond, 2007

²⁷ Retallack, 2010; Moffett, 2010

communities neighboring the reserves and concession areas in which it hosts its guests²⁸. The average monthly wage of employees varies between countries, with around US\$340 per month on average paid in Namibia (see Figure 1). For the group, there is an average of 7 dependents per local employee, and therefore an estimated 9520 community members are directly supported by Wilderness' camp employment²⁹. For example, at Rocktail Beach Camp there are 32 local employees earning average of R1682 (US\$221) per month, and 3 employees are from elsewhere. This helps to support the staff and 235 local dependents above the poverty line of US\$1 per day³⁰.

Figure 1: Average monthly income of community members adjacent to Wilderness camps, 2009³¹



Similarly, there are over 3000 people employed by &Beyond in 46 lodges in six African countries and India (&Beyond, undated), and 90% of these are drawn from local communities³².

Capital investment: The level of capital investment from these programs can be considerable, for example, Rocktail Beach Camp (Wilderness Safaris, South Africa) was developed with R11.7 million (US\$1.5 m). This comprised of grants of US\$550,000 (36%) from the European Union and an interest-bearing loan from Wilderness Safaris (borrowed from the Industrial Development Corporation) of US\$1 million (64%). The iGugulesizwe community centre was also constructed, using grants of \$200,000, with 53% from GtZ and 47% from Wilderness Safaris^{33,34}.

b) Environmental

Both companies have made significant contributions towards the environment through restoration of degraded habitats, research, wildlife conservation, and attention paid to energy, water and waste management.

The Wilderness Wildlife Trust (WWT) is an initiative of Wilderness Safaris that channels donations into three target areas: (1) research and conservation, (2) community empowerment and education; and (3) anti-poaching and management (WWT, 2010). In 2009 the trust had 43 projects operating across sub-Saharan Africa, ranging from ecological studies of rhino in Botswana, to an anti poaching project in Zimbabwe (WWT, 2010). Between 2008 and 2009 funds to the value of around

²⁸ Wilderness Holdings Ltd, 2010: pp11; Pers. Com. Roche, 2010

²⁹ Pers. Com. Roche, 2010

³⁰ Pers Com Poultney, cited in Spenceley 2008

³¹ Wilderness Holdings Ltd, 2010: pp17

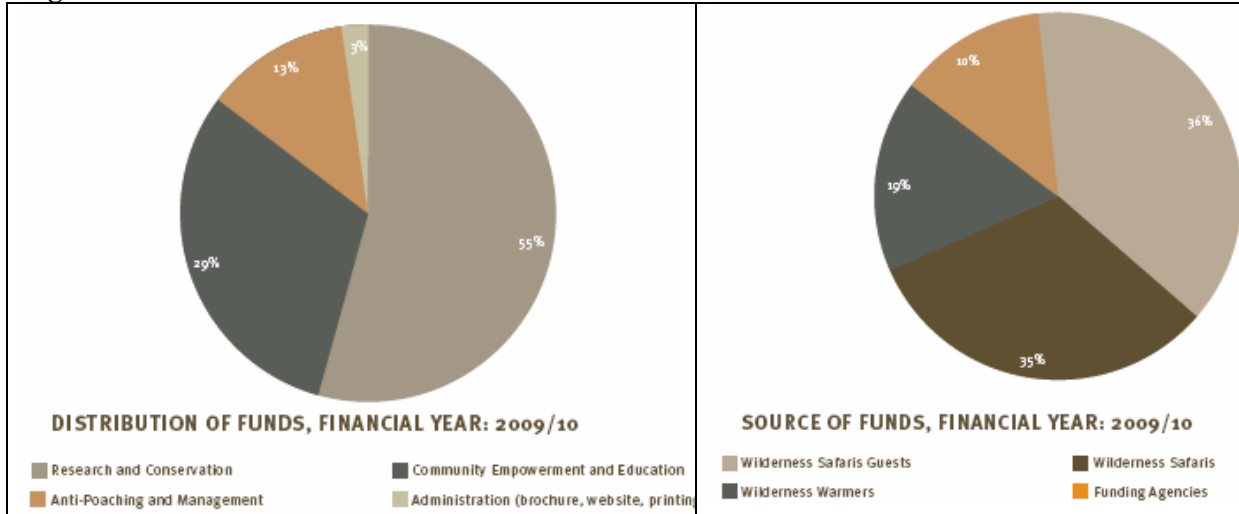
³² Pers. Com. Walley, 2010

³³ Pers com Poultney, cited in Spenceley 2008

³⁴ Equivalent data for &Beyond was not available at the time of this report.

\$550,000 were disbursed³⁵ (see Figure 2). Highlights for Wilderness Safaris in 2010 included securing of the Chelinda Concession in Nyika National Park, Malawi. This move expanded the Wilderness biodiversity footprint from 7 biomes to 8, incorporating an additional 90 bird species, 27 mammal species and 13 amphibian species³⁶.


Figure 2: Distribution and use of funds at the Wilderness Wildlife Trust



Source: WWT, 2010

In 2009/10, Wilderness Safaris opened two new camps in Botswana, the Kalahari Plains Camp in the Central Kalahari Game Reserve and Banoka Bush Camp in the Okavango, both of which are the first camps owned and operated within the group that are entirely powered by renewable energy (photovoltaic solar panels; solar water heaters)³⁷. Another example of environmentally friendly design can be seen in Box 5, at Damaraland Camp in Namibia.

Box 5: Environmentally sensitive construction at Damaraland Camp, by Wilderness Safaris in Namibia³⁸



Damaraland camp was re-build in 2008 using green building principles. Construction was with eco sand bags and plantation eucalyptus poles. This limited transportation, improved thermal stability, insulates against sound, resists water penetration, provided local employment to fill the bags, and was 50% cheaper than bricks). Other activities include grey-water filtering and treatment, before returning cleaned water to the environment. Water-efficient shower heads (less than 10 litres per min) are also used. Solar power is provided with photo-voltaics, there is excellent use of ambient and natural light, and natural convection using strong prevailing winds.

LED lights (less than 70 W per accommodation unit) are installed, and there is solar-water heating and solar-operated cooling systems (no carbon-based energy is used)

&Beyond directly influences more than 400 000 hectares of African wildlife real estate with the conversion of more than 200 000 ha of land from livestock and hunting to wildlife. The company channels US\$6 million annually into the conservation of biodiversity and community

³⁵ Pers. Com. Roche, 2010

³⁶ Wilderness Holdings Ltd, 2010: pp18

³⁷ Wilderness Holdings Ltd, 2010: pp18

³⁸ Photograph © Dana Alan, Wilderness Safaris, Text: Pers. Com.s Simpson, Life, Shivulte, Lalley (2008), cited in Spenceley 2008.

empowerment, and is also involved with hands-on collaboration in terms of data gathering and research in the areas where they operate. Each lodge and corporate office has a Green Team to spearhead environmental and community issues identified in their areas, and every lodge undergoes an intensive internal eco-audit to ensure the best operating practices are being adhered to³⁹. An example of their work at Phinda is shown below in Box 6.

Box 6: Conservation and environmental education at Phinda, South Africa by &Beyond⁴⁰

Conservation:

- Rehabilitated agricultural and pastoral land. Supplemented 15,000 head of game. Wildlife conservation activities on the reserve have been so successful that Phinda has sold live cheetah, buffalo, white rhino to restock other reserves and parks in the region. Wildlife swaps have also taken place for Nyala.
- Re-introduced waterbuck and eland and relocation of elephant to balance the population numbers
- Part of Black Rhino Range Expansion program: Started with 18 and now have 21. Owned 50:50 with Ezemvelo KwaZulu-Natal Wildlife, the provincial conservation authority.
- Wildlife management employees include 56 permanent staff and 40-50 contract workers at any time
- Wildlife is counted by aerial survey. Rare species include black & rhino, elephant, lion, leopard and cheetah.
- Full time alien plant control division. Other teams come in to clear and rehabilitate land as necessary.
- Phinda game division looks after roads, fences, wildlife management, and liaises with researchers
- Fenced off sand forest from elephant and giraffe (because so little of this habitat left globally)
- Future proposals to drop fences with Mkuze Game Reserve and Masaka community Game Reserve, but need to address poaching/traversing/wildlife management/land claims first. Existing lessee on Makhasa Game Reserve).

Environmental education:

- Guests are educated regarding conservation during game drives and walks.
- Conservation lessons for local children are paid for by 'wild child' bracelet. R50 goes to the &Beyond Foundation, and each lodge is reimbursed for vehicle/staff costs. There is a plan for 1 session for 8 children per month for the reserve (so 96 children per year)

Research:

- Host wildlife researchers: leopard dynamics with radio collars; serval research (re-introduced); black and white rhino; elephant research. &Beyond employ the elephant/white rhino researcher and black rhino researcher.

c) Social and cultural

Considerable efforts have been made by both companies to generate strong relationships with staff and local communities, including through equitable employment, joint-ventures, and supporting local public services like health and education.

Working hand in hand with &Beyond and the communities, the &Beyond Foundation makes considerable positive impacts by focusing on improving health care (building clinics, providing access to water, creating vegetable gardens); education (building classrooms, granting bursaries, donating school supplies); income generation (support of small businesses, buying produce from local farmers); community equity; and assisting vulnerable children and orphans. Guests to &Beyond lodges are encouraged to visit the communities and to see the Foundation's many projects in action⁴¹. To date the foundation has achieved the following⁴²:

- Over 140 classrooms have been built
- More than 3000 hippo water rollers have been supplied
- Four clinics developed, two of which are manned 24 hours a day
- 156 students given university bursaries
- Libraries and laboratories built
- Over 5000 conservation lessons have been taught to children and community members

³⁹ &Beyond, undated

⁴⁰ Pers Com Pretorius, cited in Spenceley 2008

⁴¹ &Beyond, undated

⁴² &Beyond, undated

- Dev Centre (Information technology / media centre) pioneered at Phinda Private Game Reserve
- Skills training and markets developed

In 2010 Wilderness Safaris became a public company listed in Botswana, and therefore is obliged to be compliant with the BSE code of Corporate Governance and King III⁴³. King III is a report on corporate governance in South Africa. It guides enterprises to report on how they have impacted on the life of the communities where they operate (both positively and negatively), and also now they intend to enhance the positive impacts (and eradicate/ameliorate negative impacts)⁴⁴.

Wilderness Safaris also has a “Children in the Wilderness Program” (CITW) programme. The aim is to offer rural children a six-day life skills and environmental educational experience. The program combines leadership, environmental education, life skills and recreation in a unique and safe wilderness environment⁴⁵. The programme is designed to increase self-esteem, teach new skills and impart knowledge to children. The fundamental objectives of this programme are continued in the local communities with the support of our staff to ensure the principles learned on camp are continually reinforced and extended to the rest of the community⁴⁶. In order to operate the CITW program, Wilderness Safaris closes down some of its camps to full paying guests for a number of weeks each year, providing the children with exclusive use of these camps. Groups of 16 to 45 children are transferred into the respective camps for a period of six days at a time and given the opportunity to experience these wilderness areas and their wildlife⁴⁷.

By the end of 2009, CITW had hosted 3 013 children over 17,162 children-in-camp days across seven Southern African countries. Countries such as Botswana, Namibia and Malawi host just under 100 children per year with smaller numbers being hosted in South Africa, Zambia, Seychelles and Zimbabwe annually or biennially.⁴⁸ Funds for the program come from fundraising events (50%), guests and individual donors (30%) and corporate donors (20%), and the majority of the funds (70%) are spent on the programs themselves⁴⁹. The program costs around R6 million per annum (approximately US\$850,000)⁵⁰.

2.1.7. Successes and Constraints

Wilderness Safaris and &Beyond have very similar approaches to their businesses, in terms of their style of tourism, and their support of conservation and local economic development (see Table 6).

One of the strengths of joint-venture processes that the two companies operate, is that a long-term and mutually beneficial relationships are built between the community and the private sector. However, one of the constraints of this approach is that it requires substantial input from the private sector in transaction costs, and also from intermediaries such as non-governmental organisations (NGOs)⁵¹.

⁴³ Wilderness Holdings Ltd, 2010: pp12

⁴⁴ Institute of Directors, 2009

⁴⁵ CITW, 2009a

⁴⁶ CITW, 2009a

⁴⁷ CITW, 2008

⁴⁸ CITW, 2009b

⁴⁹ CITW, 2009b

⁵⁰ Pers. Com. Roche, 2010

⁵¹ Spenceley, 2008

Table 6: Similarities and contrasts between Wilderness Safaris and &Beyond⁵²

Similarities	Differences
<ul style="list-style-type: none"> • Operate luxury safaris and accommodation in pristine wildlife areas. • Use profitable approaches that balance wildlife conservation, habitat restoration and linkages with local communities. • Operate charitable foundations that channel funds towards programs that support local communities • Operate a mixture of infrastructure ownership models, including joint-venture agreements, ownership, and leases • Preferentially train and recruit local people • Invest in the rehabilitation and conservation of habitats • Support research on biodiversity conservation on land where they operate • Run environmental education programs for local children • Have strong relationships with local communities • Require an enabling environment with stable land tenure, political stability, access, suitable infrastructure, and a suitable natural destination • Use, or are developing, sustainable tourism indicators and checklists 	<ul style="list-style-type: none"> • Wilderness Safaris operates in Africa, while &Beyond operate in Africa and India. • Wilderness Safaris is a public company, while &Beyond is owned by two major shareholders. • Wilderness Foundations are funded by tourism revenue, and &Beyond's Foundation is funded by donations.

Successes noted by Wilderness Safaris include long term commitment and relationships; credibility with communities and governments; sustainability underpinning activities; scale and networking of operations; marketing clout and experience in community ventures⁵³. Challenges faced by Wilderness Safaris and &Beyond include ⁵⁴:

- Unrealistic expectations by communities (fuelled by uninformed NGOs and governments);
- Regulatory and political challenges;
- Difficulty of establishing new destinations;
- Over-supply of lodge/camp beds (especially in South Africa);
- Cost of creating/securing access (e.g. access to funds; achieving sufficient financial returns to ensure continued conservation and community support);
- High transaction costs when dealing with communities;
- Low levels of literacy in communities;
- Corruption (at both community and Government levels); and
- High concession costs.

It is clear that to attract the calibre of private sector tourism investors and operators, that &Beyond and Wilderness Safaris represent, that governments and destinations need to ensure the enabling environment is conducive and attractive to them. Key requirements are political and economic stability; rational economic policies, stable land tenure, easy access and attractive natural destinations.

Table 7: Some useful weblinks on Wilderness Safaris and &Beyond

Institution	Website
Wilderness Safaris Wildlife Trust	http://www.wildernesstrust.com/trust/main.jsp
Children in the Wilderness	http://www.childreninthewilderness.com/
Wilderness Safaris	www.wilderness-safaris.com
&Beyond	www.andbeyond.com
&Beyond foundation	http://www.andbeyond.com/andbeyond_foundation

⁵² Wilderness Holdings Ltd, 2010, Spenceley, 2008; Pers Com. Roche, 2010; Pers. Com. Walley, 2010

⁵³ Pers. Com. De la Harpe, 2010

⁵⁴ Pers. Com. De la Harpe, 2010 ; Retallack, 2010 ; Moffett, 2010

2.1.8. Acknowledgements

Many thanks for materials and comments provided by Derek de la Harpe and Chris Roche (Wilderness Safaris) and Cynthia Walley (&Beyond). Thanks also to Hannah Messerli, Vincent Palmade (World Bank) and Andrew Rylance (GtZ) for their comments on a draft of this case study.

2.1.9. Acronyms

BOT	Build Operate and Transfer
BWP	Botswana Pula
CITW	Children in the Wilderness Program
IWPA	iSimangaliso Wetland Park Authority
NGO	Non-governmental organisations
SBDC	Small Business Development Company
WWT	Wilderness Wildlife Trust

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Poultney, C. and Spenceley, A. (2001) Practical strategies for pro-poor tourism, Wilderness Safaris South Africa: Rocktail Bay and Ndumu Lodge, Pro-Poor tourism working paper No. 1, ODI/CRT/IIED, April 2001

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Simpson, M. (2008) The impacts of tourism initiatives on rural livelihoods and poverty reduction in South Africa: Mathenjwa and Mqobela, In Spenceley, A. (ed) Responsible Tourism: Critical issues for conservation and development, Earthscan.

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Wilderness Holdings Ltd (2010) Annual report 2010, accessed from <http://www.wilderness-group.com/news/20> on 20 October 2010

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2.2. Case study 2: The wildlife conservancy program in Namibia

2.2.1. Overview of the concept

Land is a critical issue in Africa. Fundamental questions such as “Who owns it?”, “Who can use the resources on it?”, “How does investment take place on it?”, and “How it is transferred to others?” create a complex array of factors that can affect the stability of a nation, and can influence the affluence of its people. In this case study, the conservancy program in Namibia is explored as an example of using land tenure and responsibility for wildlife as a mechanism for financial and economic growth. This program has provided a mechanism that has led to the sustainable use of wildlife resources, stable land tenure for rural Namibians, and improved livelihoods. It has also provided the basis for communities to develop tourism enterprises within conservancies: either through joint-ventures with the private sector, or as community-based tourism operations.

Box 7: What is a conservancy?

A conservancy is an area of land where people acquire the rights and responsibilities for the consumptive and non-consumptive use and management of wildlife and natural resources, on behalf of the community⁵⁵.

Legislation passed in 1996 made it possible for communities living in communal lands to acquire common property rights to manage and use their wildlife resources. Previously, communities that practiced traditional agro-pastoral and livestock-based livelihoods had no rights to use wildlife on their lands. The change in the law made it possible for communities to register conservancies, in which they could take on the rights to manage and use wildlife resources with the assistance of NGOs and government⁵⁶. Now the Namibian government has a policy of developing conservancies across the country. This program is incentive-based, and gives people in communal lands the rights to manage and benefit from natural resources. In Namibia the government formally owns conservancy land but communities have rights of occupation⁵⁷. Conservancies are found in almost all regions of Namibia, and cover 16.8% of the land area. By May 2010 there were 59 gazetted conservancies with another 30 being considered⁵⁸.

The main policy question related to conservancies is whether community-based natural resource management (CBNRM) can generate sustainable and viable returns, and whether these outweigh the costs. With data spanning 16 years, Namibia has been able to measure the economic impact of the conservancy program to the national income in addition to local people⁵⁹, and demonstrate their benefits. This case study provides insights into the benefits that can be accrued by government, communities, and for wildlife, from the devolution of rights to manage wildlife: from government to communities.

⁵⁵ Ashley and Jones, 2001

⁵⁶ Barnes, 2008

⁵⁷ Ashley and Jones, 2001

⁵⁸ Republic of Namibia, 2010

⁵⁹ Barnes, 2008

Box 8: Key issues in the conservancy case study

- Sustainable use of wildlife by farmers is achieved by giving them the rights to manage wildlife in communal area conservancies.
- Farmers cooperate in co-management of wildlife, where their rights, roles and responsibilities are defined.
- The process requires a strong policy framework devolving the rights to use wildlife.
- Conservancies have provided stable land tenure for communities.
- The conservancy framework has made it possible for communities to lease tourism concessions to the private sector. These have resulted in increased local employment, capital investment, income for the state, and wildlife populations.
- Donor investment in the conservancy process has enhanced community returns.
- The processes are complex, and therefore governments need to obtain technical advice with this approach.

2.2.2. Motivation of the actors

Motivation for conservancies was to address social equity issues for residents and neighbours; increase benefits from parks to society/national economy, and provide incentives for communities to support protected areas (and so become real economic “stake-holders”).⁶⁰ Sustainable use of wildlife is promoted by giving use rights to farmers (communal area conservancies). The mechanism is a form of co-management which incorporates shared decision making with farmers, defined rights, roles and responsibilities and extension and capacity building for conservancies⁶¹.

Many actors have been involved in the conservancy processes in Namibia, including⁶²:

- The **Ministry of Wildlife Conservation and Tourism** (now the **Ministry of Environment and Tourism (MET)** which carried out the initial participatory socio-ecological surveys in 1990-2 that identified key issues and problems concerning wildlife and conservation from a community perspective. The MET has also been instrumental in collecting data tracking the impact of the conservancy program, in collaboration with NGOs.
- The **MET’s Integrated Community-based Ecosystem Management (ICEMA) project** (World Bank funded).
- MET’s **Strengthening the Protected Area Network (SPAN) project** (United Nations Development Program {UNDP} funded), has also supported the concession unit, as well as co-funded a tourism plan in the Kunene Region.
- MET’s **Bwabwata, Mudumu and Mamili Parks Project** (co-financed by the Federal Republic of Government through KfW) prepared a tourism development plan for the Kavango and Caprivi Parks.
- **WWF-LIFE (Living in a Finite Environment)**, which provided assistance to comprehensive community-based natural resource management programmes through the provision of technical support, training, grants, and regional coordination and information dissemination to government agencies, NGOs, and communities⁶³
- The **Namibian Association of Community Based Natural Resource Management (CBNRM) Support Organisations (NACSO)** is an association comprising 15 Non-Government Organisations (NGOs) and the University of Namibia. The purpose of NACSO is to provide quality services to rural communities seeking to manage and utilise their natural resources in a sustainable manner⁶⁴.

⁶⁰ Jones, 2008

⁶¹ Jones, 2008

⁶² ASLF, 2010; Jones and Weaver, 2009; Pers. Com. Simpson, 2010

⁶³ see www.wwf.panda.org/what_we_do/where_we_work/project/projects_in_depth/life/project/

⁶⁴ see www.nacso.org.na/index.php

- The **Namibia Community Based Tourism Assistance Trust (NACOBTA)** is a non-profit membership organisation which supports communities in their efforts to develop and operate tourism enterprises profitably as well as sustainably.⁶⁵
- Other agencies that supported the process include local NGO's such as the **Integrated Rural Development and Nature Conservation (IRDNC)** and **Namibia Nature Foundation (NNF)**.

More than N\$145 million (approx US\$20 million) has been invested in tourism joint ventures in communal conservancies by the private sector and government since 1998.⁶⁶

2.2.3. *Relevance to policy*

The conservancy program is directly related to the national development priorities of the government. The MET has two sets of overall objectives⁶⁷:

1. **Conservation:** Biodiversity conservation and maintenance of ecological processes (MET is responsible for Namibia's protected areas [PAs] and for conservation of wildlife outside PAs); and
2. **National Development:** MET is expected to contribute to National Development goals, particularly poverty reduction & economic growth.

To complement the conservancy program, a concessions policy was approved in 2007, and has 6 main objectives that related to concessions in protected areas⁶⁸:

1. Enhance and promote conservation.
2. Control and monitor commercial activities.
3. Increase economic value of parks.
4. Promote economic empowerment of formerly disadvantaged Namibians.
5. Use concessions to promote sustainable development, poverty alleviation and employment creation.
6. Support development of capacity, skills, and access to capital for Namibians.

Box 9: What is a concession?⁶⁹

A concession is the right to use land or other property for a specified purpose, granted by a government, company, or other controlling body. It can include a commercial operation or a piece of land into which land is divided, and itself further divided into smaller lots.

⁶⁵ see www.nacobta.com.na

⁶⁶ Republic of Namibia, 2010

⁶⁷ Jones, 2008

⁶⁸ Thompson, 2008

⁶⁹ Oxford Pocket Dictionary of Current English, 2006

2.2.4. Effectiveness and impact

The main results of the concession program have been observed in increased wildlife, and increased incomes⁷⁰.

Following the registration of the first four conservancies in 1998, income and benefits have grown from less than N\$600,000 in 1998 to N\$41.9 million (US\$ 5.7 million) in 2008. Most of this growth has come from tourism⁷¹, and in 2008 the concessions were generating approximately US\$330,000 per annum⁷².

There are now 31 formal joint-venture lodges and campsites mostly owned by the private sector, which work in collaboration with their host communities, and also 11 under discussion⁷³. The number of joint venture lodge agreements has increased by 111% since 2005. In addition, there are 4 joint ventures operating in principle with a signed agreement pending, and another 11 ventures with whom the conservancies are negotiating⁷⁴.

Combining the employment in all of the joint ventures in the communal conservancies, there are 789 full-time jobs and over 250 seasonal positions⁷⁵. An example of ‘before’ and ‘after’ the concessions program was implemented in the Palmwag conservancy, is shown in Table 8.

Table 8: Impacts of the concessioning program in Etendeka, Palmwag conservancy⁷⁶

Before	After
<ul style="list-style-type: none"> existing tented camp operating for 12 years 	<ul style="list-style-type: none"> 20 year concession issued
<ul style="list-style-type: none"> concession held by private tourism operator 	<ul style="list-style-type: none"> partnership between conservancy & new investor to run the facilities
<ul style="list-style-type: none"> 2007 year concession awarded to local conservancies (Omatendeka and Anabeb) 	<ul style="list-style-type: none"> capital raised for community ownership of: <ul style="list-style-type: none"> ➤ A redeveloped tented camp A fixed lodge
<ul style="list-style-type: none"> six staff employed 	<ul style="list-style-type: none"> 35 local staff employed
<ul style="list-style-type: none"> N\$40,000 income for the State 	<ul style="list-style-type: none"> N\$300k in income for the State
<ul style="list-style-type: none"> no direct income for communities 	<ul style="list-style-type: none"> N\$600k for conservancies + ownership 8% income from the land and 10% income for use of infrastructure

2.2.5. Innovation and noteworthy issues

There are several noteworthy and exceptional factors regarding the concessions program in Namibia:

- It has worked from a top-down, policy led approach.
- It has recognised the value of devolving responsibility for the management of wildlife to local people through a CBRNM approach.
- Strong participation and buy-in from communities has been integral to the process.
- It has provided stable land tenure for local communities.

⁷⁰ Jones, 2008

⁷¹ Republic of Namibia, 2010

⁷² Thompson, 2008

⁷³ Pers. Com. Simpson, 2010

⁷⁴ Republic of Namibia, 2010

⁷⁵ Republic of Namibia, 2010

⁷⁶ Thompson, 2008

- It has provided communities with a platform to negotiate with the private sector, and to develop joint-venture tourism operations.
- Accurate and regular monitoring of evaluation has provided tangible evidence of the livelihood and conservation benefits.
- It has led to increases in wildlife populations and improvements in local livelihoods at the household level.
- Successes have led to widespread roll-out of the program across the country.

The difference in the Namibian approach is application of the concept that *the main threat to wild habitats and resources is not overuse, but actually the conversion of land for agriculture and livestock*⁷⁷. This implies that biodiversity conservation depends on giving landowners the right incentives for sustainable land use. When residents living with the resources have a vested interest in ensuring that they can continue to benefit from them, sustainable land use is most likely to succeed⁷⁸. The success of the conservancy program in Namibia demonstrates how a combination of economic incentives and proprietorship creates suitable conditions for sustainable wildlife use⁷⁹.

One of the factors that have been critical in the level of success in Namibia has been the extremely low population density and the unsuitability of the land for alternative uses. These make tourism and conservation uniquely suited as the premier land use and the most effective for grass roots support of the local population in terms of employment, revenue share, training, skills development etc⁸⁰. Therefore, tourism has been able to create sustainable livelihood opportunities for rural Namibians where other economic activities are not viable. Therefore, this model has potential to be replicated in other countries particularly where there is high wildlife potential, communal land, and low population levels.

2.2.6. Successes and sustainability

a) Financial and economic values

Measuring the financial (private) and economic returns from conservancies over time is a challenging activity. It requires that data is collected in a consistent manner and that resource economists with the skills to use multiple approaches to measure the rates of return are available (see Box 10).

Since the conservancy program started, private benefits to communities have increased annually from less than N\$600,000 in 1998 to N\$41.9 million (US\$ 5.7 million) in 2008, with the primary growth coming from the tourism industry. Tourism joint ventures conservancies now represent 856 tourist-beds, 789 full-time jobs and over 250 seasonal positions. In addition, the private sector has invested more than N\$145 million (US\$ 19 million) in tourism in communal conservancies since 1998⁸¹.

⁷⁷ SASUSG, 1996

⁷⁸ Jones and Murphree, 2004

⁷⁹ Jones and Weaver, 2009

⁸⁰ Pers. Com. Roche, 2010

⁸¹ MET, undated

Box 10: How are the financial and economic values measured?⁸²

Models calculate the costs and benefits of conservancies over a ten year period. The models incorporate investments, capital and recurrent costs needed for the conservancy to function, and benefits such as income to the conservancy and its employees. These concepts are summarised below:

- **Capital:** Expenditure by donors, government and communities on fences, boreholes, buildings, vehicles, equipment, initial training workshops and introduced wildlife. Natural stock already on the land is not included in the calculations.
- **Recurrent costs:** Staff salaries, insurance, maintenance and repairs, mitigation for wildlife damage in conservancies
- **Benefits:** Rentals and royalties to the conservancy from lodges and hunting operations, profits from community enterprises (e.g. campsites, guiding, cultural tourism, live game sales, consumption of game meat). Excluded are net benefits accruing to joint-venture tourism enterprises.

The **financial analysis** (private) looks at the returns to stakeholders in the project. The models provide annual net profits and five-and 10-year financial internal rates of return, and financial net present values for the project investment.

The **economic analysis** looks at the returns of the conservancies to the national economy. This measures the incremental change made by each conservancy to the national income. Measurements include annual net benefits, internal rates of return and net present values.

Data from five individual conservancies in Namibia show that the financial returns to investment in terms of national income are moderate but generally positive⁸³. Their initial capital investments ranged between some US\$100,000 in Mayuni to around US\$500,000 in Nyae Nyae. The real project financial internal rates of return over 10 years of conservancy development were moderate at between 8% (the discount rate) and 19%. Financial internal rates of return measured from the community perspective were significantly higher reflecting the subsidies inherent in the programme. The impact on the overall economy of these conservancy developments is positive and very significant. They were found to have economic internal rates of return of between 20% and 130%⁸⁴.

Investment in CBNRM at the national level has also turned out to be economically positive. Table 9 shows the economic costs and benefits associated with the national programme between 1990 and 2005. Here costs include specific capital and recurrent programme spending by communities, donors, NGOs and government. Benefits include all the value added to net national income as a result of the CBNRM programme. Benefits also include some of the value of wildlife stocks increases, attributable to the programme. It can be seen that although costs exceeded benefits for the first 11 years, the overall economic internal rate of return after 16 years was positive at 16%. The CBNRM programme is thus economically efficient⁸⁵.

⁸² From Barnes, 2008, where more detail regarding the modelling approaches can be found.

⁸³ Barnes, 2008

⁸⁴ Pers. Com. Barnes, 2010

⁸⁵ Pers. Com. Barnes, 2010

Table 9: Economic cost–benefit analysis of Namibia’s entire CBNRM programme (US\$^a, constant 2005 values, rounded)⁸⁶

Year	Total programme spending ^b	Total economic benefits ^c	Benefit/cost stream
1990	478,740	0	(478,740)
1991	605,550	935,810	330,260
1992	920,390	1,099,670	179,280
1993	1,838,730	1,261,710	(577,020)
1994	5,674,010	1,451,600	(4,222,410)
1995	4,370,790	1,926,150	(2,444,640)
1996	5,298,980	2,750,870	(2,548,130)
1997	9,025,190	3,840,260	(5,184,920)
1998	9,047,180	5,309,790	(3,737,390)
1999	8,941,890	6,245,750	(2,696,150)
2000	9,451,850	6,977,820	(2,474,030)
2001	11,318,600	13,000,100	1,681,500
2002	14,449,470	21,443,570	6,994,100
2003	9,291,450	25,064,190	15,772,740
2004	6,520,820	24,851,340	18,330,510
2005	4,920,750	27,981,050	23,060,300
Total	102,154,350	144,139,640	0
Cost–benefit analysis: Economic internal rate of return over 16 years			14.91%
Economic net present value over 16 years @ 8% discount rate			7,795,340

An example of the livelihood impacts in just one conservancy (Torra) can be found below in Box 11.

Box 11: Case study example: The Torra conservancy⁸⁷

The Torra conservancy is located in the Kunene region of Namibia. The conservancy covers 3522 km², and various income generating activities take place. These include hunting; craft sales; live game sales and a joint-venture tourism enterprise with Wilderness Safaris: Damaraland Camp. The partnership agreement’s history is as follows:

- For the first 10 years Wilderness rented the land from the conservancy
- After year 11, Torra conservancy was gifted 20% of the lodge
- For every year thereafter, they were gifted 20% by Wilderness
- After 15 years Torra owned 100% of the lodge
- Wilderness Safaris bought back 60% of the business from the conservancy
- Wilderness and Torra paid their respective portions for a total upgrade of the main areas and to re-build the tents in 2008.

The agreement between Wilderness Safaris and the Torra conservancy for the Damaraland Camp includes commitment to recruit local people and train to management level. Starting nearly fifteen years ago there were 13 full-time employees, and by 2007 this had risen to 24 full-time employees (8 men, 16 women) (plus 5 non-local management/admin staff). The minimum wage is US\$130 per month, plus food, 50% medical insurance premiums, accommodation, and pension contributions. The level of local wages imply sufficient to support 145 local people above the poverty line of US\$1 per day (24 staff & 121 dependents). There also some local purchasing of wood and services (e.g. laundry) by Damaraland Camp. Between 2003-2007 there were also 2 part-time people employed providing laundry/firewood to the lodge.

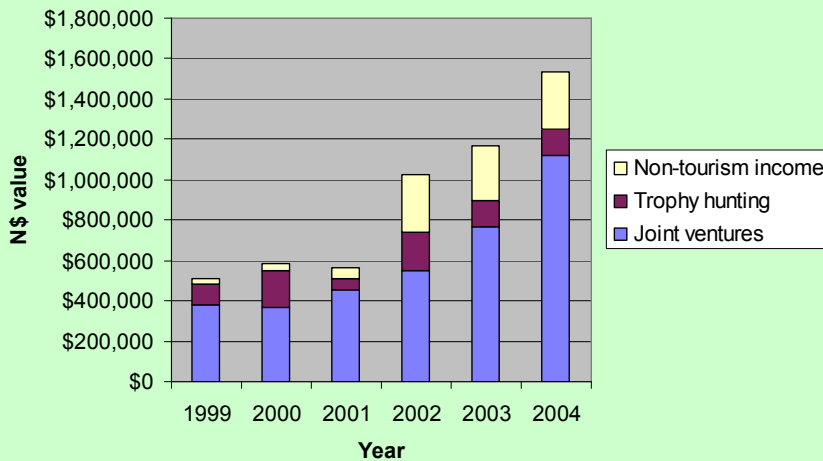
In 2004, N\$630 (~US\$ 74) was paid to each member of the Torra Conservancy, which was sufficient to cover basic grocery costs for a local household for three months. This was almost equivalent to the average amount raised annually from the sale of live goats, and equivalent to 14% of the average annual income (N\$4 500: ~US\$532) for individuals in the region. It was also comparable to 8% of the average annual income of households (N\$8,000: ~US\$946).

⁸⁶ Unpublished Data, 2007, Ministry of Environment and Tourism; NACSO, 2006: cited by Barnes, 2008

⁸⁷ Data from WWF- LIFE on behalf of the CBNRM programme, 2005, Spenceley and Barnes, 2005, Spenceley, 2008; Long, 2004; Nasco, 2004, Ashley and Jones 2001; Pers. Com. Simpson, 2010; Pers. Com. B. Shivute, 2008). \$ to US\$ exchange rates 1 June 2005

Damaraland Camp enabled Torra Conservancy to become the first communal conservancy in Namibia to become economically independent of start-up funding. On average, the proportion of the trust income generated by tourism joint ventures was significant at 48.1%. The conservancy has used its own income to manage itself, to fund local development and to make a profit for its members. As shown below, the majority of revenue generated by the Torra Conservancy comes from Damaraland Camp.

Figure 3: Income and disbursements in the Torra Conservancy 1999-2004: Income to the conservancy and households



Note: Non-tourism includes training, laundry, firewood etc.

b) Environmental

The conservancy process has been successful in extending the protected areas to include a massive 19% of the country to over 130,000 km²⁸⁸ (equivalent to the entire land area of Greece). With this level of protection, Namibia already exceeds the Nagoya 2010 Convention on Biological Diversity target to increase terrestrial protected areas to 17% of land area by 2020. Namibia is also the only country in the world with 100% of its coastline under some form of conservation⁸⁹.

Namibia has the world's largest population of Black Rhino which is managed through a custodianship programme with farmers. It is the only country in Africa where endangered Black Rhinos are being translocated out of National Parks and into communal conservancies. In addition, Namibia is moving wildlife from protected areas onto farmland through the Wildlife Breeding Stock Loan scheme which is aimed at assisting upcoming commercial farmers restock their farms with wildlife with the aim of developing viable wildlife-based income streams. Lastly, Namibia's conservation success stories stand out in sharp contrast to many countries where wildlife populations and habitats are rapidly declining⁹⁰.

As an example of the biodiversity impacts, populations of wildlife have increased within the Torra and other Conservancies (e.g. see Figure 4). Species that have demonstrated significant growth include springbok, oryx and Hartmann's mountain zebra, with a related increase in numbers of large predators such as lion, spotted hyaena and cheetah. The conservancy is custodian of black rhino on behalf of the Namibian government⁹¹ and this population also continues to grow⁹².

⁸⁸ MET, undated

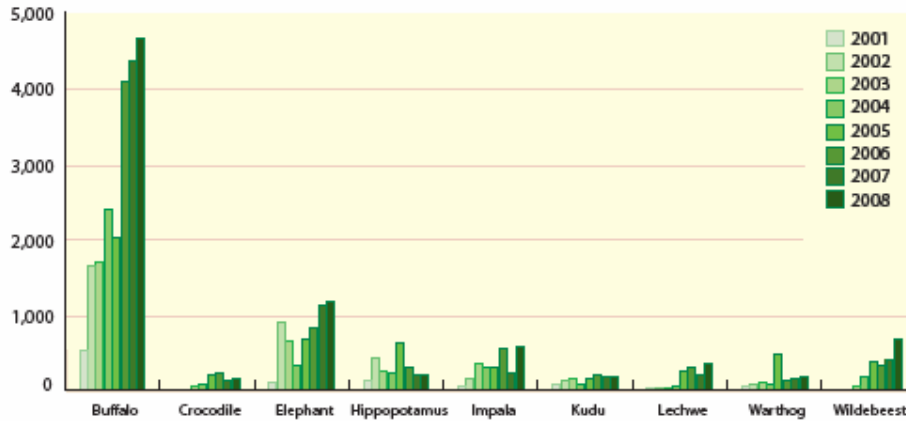
⁸⁹ Republic of Namibia, 2010

⁹⁰ Republic of Namibia, 2010

⁹¹ Pers. Com. J. Lalley, B. Shivute, and B. Jones, 2008

⁹² Pers. Com. C Roche, 2010

Figure 4: Wildlife increases in 7 conservancies in the Caprivi: Salambala, Mayuni, Mashi, Wuparo, Kwandu, Impalila and Kasika⁹³



c) Social and cultural

Within the 29 registered conservancies, there are 230,000 members⁹⁴. Currently 1 in 8 Namibians resides within a conservancy, or close to 1 in 4 rural area residents⁹⁵. Participation and buy-in from local people is a critical part of developing and maintaining a conservancy. For registration conservancies need a defined membership; a committee that is representative of community members; clearly defined, undisputed boundaries; and a land management plan.⁹⁶ An example of the process that led to the development of the Torra conservancy's agreement with Wilderness Safaris, and some of its social and cultural impacts, is outlined in Box 12.

Box 12: Social impacts of joint-ventures in Torra conservancy⁹⁷

The development process for the Damaraland Camp entailed:

- 2 year negotiation between community and investor (Wilderness Safaris) to use land (rather than negotiating with the State)
- The IRDNC facilitated agreement and introduced advisors
- Formation of Resident Trust (defining membership; constitution; legal recognition)
- Meetings between Resident Trust and WS, with Trust referring decisions to community

Some of the social and cultural impacts have included:

- **Governance:** joint management committee between WS and conservancy; accounts reviewed 4x per year. Conservancy manage their own funds (e.g. they decide what amount of money to use, and for what)
- **Local livelihoods:** Activities include small-stock farming (goats, sheep), limited large-stock farming (cattle, horses, donkeys), small scale vegetable gardening, wage labour and contributions from absent wage earners. Conservancy staff consist of five community game guards, a field officer, a community activist and a receptionist⁹⁸
- **Access to natural resources:** Household studies found that > 80% of the 304 participants supported relocation of black rhino into their conservancies. Motivations included tourism and employment (e.g. community game guards to act as rhino monitors). Subsistence hunting quota. WS provides diesel to village to enable water to be pumped by generator.

⁹³ NASCO, 2008: pp: 19

⁹⁴ MET, undated

⁹⁵ Republic of Namibia, 2010

⁹⁶ Ashley and Jones 2001; Pers. Com. Lalley, 2008

⁹⁷ Spenceley (2008), citing Bruce Simpson, Brian Jones; Jennifer Lalley, Basilia Shivute, Long (ed) 2004; NASCO, 2006,

⁹⁸ NACSO, 2006

Contd.

- **Gender issues:** 7 men and 16 women employed at Damaraland Camp in 2007. The conservancy management committee has two women and seven men. Several women have been promoted to high management posts. **Cultural impacts:** Some local dancing takes place at Damaraland Camp. Staff and residents have strong sense of pride and ownership of the lodge
 - **Training** provided by IRDNC, WWF-Life and Save the Rhino on conservation issues. WS trained local residents from conservancy to management level, and so enhanced their livelihoods:
 - Lena Florry is the Wilderness Area manager for DamCamp and Doro !Nawas Camp, and has been trained through the ranks and also had training in Kansas (USA) at a Hotel Management School through Wilderness Safaris (WS).
 - Maggie Vries, previously employed as a housekeeper in Damaraland camp, now runs the housekeeping training for the whole Wilderness Safaris Namibia group
 - Another resident is in charge of training at WS head office in Windhoek
 - Several conservancy members went on to work at other WS lodges in Namibia
- WS includes local residents in free guide training to build pools of local skills, even when there are not immediate vacancies. Successful candidates invited to higher level courses.

2.2.7. Successes and Constraints

From an investment perspective, the concessions are effective as an intervention in Namibia, and that donor grants have been very important in this process. Table 10 shows the effects that the removal of donor grants might have on the community financial rates of return in the five conservancies analysed⁹⁹. The findings suggest that donor grants very significantly enhance community returns in conservancies. They also provide an indication that in some conservancies communities might even have incentives to invest *without* donor and government grants.

Table 10: The effect of donor grants (non-use values) on the financial rate of return to communities in the five Namibian conservancies in 2000¹⁰⁰

Community financial rate of return (%)	Conservancy				
	Torra	=/Khoadi //Hôas	Nyae Nyae	Mayuni	Salambala
With donor grants without stock ^a	133	205	23	220	40
Without donor grants with stock ^b	44	39	18	24	17
Without donor grants without stock ^c	39	28	1	20	11

Notes: ^a Includes income to the conservancy from donor grants, but excludes residual value of wildlife stock appreciation (an intangible value for communities) in benefits.
^b Excludes income to the conservancy from donor grants, but includes residual value of wildlife stock appreciation (an intangible value for communities) in benefits.
^c Excludes income to the conservancy from donor grants, and excludes residual value of wildlife stock appreciation (an intangible value for communities) in benefits.

Some of the lessons learned by government from the conservancy program include¹⁰¹:

- the willingness of communities and private sector operators to work together;
- small improvements in government capacity can unlock many opportunities;
- getting appropriate technical advice is vital, because of the complex arrangements;
- both government and communities need to understand how concession systems work;
- conflicts of interest, potential corruption, slow processes can all frustrate actors; and
- joint-venture agreements between the private sector and conservancies take time to negotiate.

⁹⁹ Barnes, 2008

¹⁰⁰ Barnes et al, 2002, cited in Barnes 2008

¹⁰¹ Thompson, 2008

The conservancy approach demonstrated in Namibia is replicable in countries that have a communal land tenure model, and policy frameworks that allow the devolution of responsibility for the management and use of wildlife. The approach has demonstrated that the devolution of use of wildlife to residents can generate sustained benefits for wildlife and livelihoods, particularly through tourism. The Namibian model works well also because of low population densities in arid areas, and few economically viable alternative opportunities. It also requires political and tenure stability.

Governments and destinations wishing to replicate this system in the future would do well to review policy frameworks available on the Ministry of Environment and Tourism’s website (see Table 11) and also the evolution of the policy and processes that led to its success¹⁰². Feasibility studies on local governance and land tenure systems in other countries would also clarify what changes (if any) are needed to create an equivalent enabling policy framework. Drawing in technical advice from individuals and agencies who have worked on the Namibian program, would also be fruitful.

Table 11: Some useful weblinks on the Namibian conservancies

Institution	Website
Namibian Association of Community Based Natural Resource Management (CBNRM) Support Organisations (NACSO)	www.nacso.org.na
Case study presentations on conservancies and Damaraland camp	www.asl-foundation.org/news.php?id=241&catid=
Ministry of Environment and Tourism, policies	www.met.gov.na/Pages/PoliciesandLegislations.aspx
Namibia Community Based Tourism Assistance Trust (NACOBTA)	www.nacobta.com.na
WWF-LIFE (Living in a Finite Environment)	http://wwf.panda.org/what_we_do/where_we_work/project/projects_in_depth/life/

2.2.8. Acknowledgements

Many thanks to the people who commented on a draft of this case study, including Bruce Simpson and Chris Roche (Wilderness Safaris), Jon Barnes (Design & Development Services cc), Chris Thouless (SNV), Andrew Rylance (GtZ) and Hannah Messerli, Eneida Fernandes and Vincent Palmade (World Bank). In addition, information was provided by Basilica Shivute, Jennifer Lalley (Wilderness Safaris) and Brian Jones.

2.2.9. Acronyms

CBNRM	Community-based natural resource management
ICEMA	Integrated Community-based Ecosystem Management
IRDNC	Integrated Rural Development and Nature Conservation
KfW	Kreditanstalt für Wiederaufba
MET	Ministry of Environment and Tourism
N\$	Namibian Dollar
NACOBTA	Namibia Community Based Tourism Assistance Trust
NACSO	Namibian Association of Community Based Natural Resource Management Support Organisations
NGO	Non Government Organisation
NNF	Namibia Nature Foundation
PA	Protected area
SPAN	Strengthening the Protected Area Network
UNDP	United Nations Development Program
WS	Wilderness Safaris
WWF-LIFE	World Wide Fund for Nature - Living in a Finite Environment

¹⁰²For example, see Jones and Weaver, 2009

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Personal communications

- Dr Jon Barnes, Design & Development Services cc, 2010
Bruce Simpson, Wilderness Safaris, 2010
Chris Roche, Wilderness Safaris, 2010

2.3. Case study 3: Hiking tourism on Mount Kilimanjaro, Tanzania

2.3.1. Overview of the concept

This case study mainly concentrates on the pro-poor financial benefits distribution and environmental impacts of tourists in a tourist destination with the climbing of an iconic mountain as an example, and provides lessons on how to enhance benefits to the local communities in similar mountain destinations. According to the Overseas Development Institute (ODI), Mount Kilimanjaro represents “one of the most successful transfers of resources from international tourists to poor people living around the destination observed in Africa or Asia”¹⁰³. Destinations that wish to develop hiking tourism in mountainous regions in such a way that it conserves the natural environment, while providing viable livelihood opportunities for local people will find this case useful. It also raises issues of the ‘shelf life’ of iconic tourism destinations, and how branding and destination management adapt over time.

Mount Kilimanjaro is an iconic feature of the Tanzania landscape, with its trademark snow-capped domed peak. Hiking the mountain is particularly attractive to tourists because it is the highest mountain in Africa at 5895 meters, and because the peak can be reached without ropes or technical climbing expertise. In addition, a network of tour operators, porters and guides make the climb one of the best organised on the continent.

Mount Kilimanjaro is designated as a World Heritage Site, because it is the highest free-standing mountain mass in the world, and also because it is a habitat for rare, endangered and endemic plants and animals¹⁰⁴. Visitor numbers to the mountain have been increasing rapidly, and it is estimated that 35,000 – 40,000 tourists attempt to climb the Mount Kilimanjaro each year (of whom 98% are non-residents)¹⁰⁵. Visitors also tend to stay in Kilimanjaro National Park for longer periods than other protected areas in the country, because of the time it takes to acclimatise and climb the mountain safely (5-10 days). This results in its position as the second highest earner of all Tanzania’s National Parks¹⁰⁶ after the Serengeti. Climbing ‘Killi’ has become increasingly urgent for hikers, who want to reach its peak before global climate change melts all of the permanent snow.

2.3.2. Motivation of the actors

A series of actors are involved in promoting sustainable tourism on Mount Kilimanjaro. These include:

- The **Government of Tanzania**, through the development of tourism and growth policies.
- **Tanzania National Parks (TANAPA)**, a parastatal responsible for the management of Kilimanjaro National Park, and developer of the Kilimanjaro National Park management plan.
- The **United Nations Culture Organisation (UNESCO)**, for the registration of the mountain as a World Heritage Site
- The **African Wildlife Foundation (AWF)**, an NGO that is working with communities on the slopes of Mount Kilimanjaro to develop tourism enterprises. These include the Elerai

¹⁰³ Mitchell et al, 2009: pp 5

¹⁰⁴ UNESCO, 2000

¹⁰⁵ Mitchell et al, 2009: pp4

¹⁰⁶ Mitchell et al, 2009: pp3

Satao Lodge, Amboseli Community Campsite; Kimana Wildlife Sanctuary and the proposed Olmolog lodge in the Enduimet Wildlife Management Area¹⁰⁷.

Box 13: Key issues in the Mount Kilimanjaro case study¹⁰⁸

- The high demand for climbing on Mount Kilimanjaro, relates to its iconic status as the highest mountain in Africa and the low level of technical expertise and equipment needed to reach the summit.
- The environmental impacts of large volumes of hikers in an environmentally sensitive mountainous regions require adequate planning, infrastructure, and management.
- Mountain hiking can generate considerable revenue for park authorities (due to the relatively long length of stay) and to local people.
- On Mount Kilimanjaro climbers support irregular, seasonal employment for approximately 400 guides, 10,000 porters and 500 cooks.
- Working conditions for porters are arduous, with difficult working conditions, and they frequently climb in inadequate clothes due to the high relative cost of suitable shoes and warm clothing.
- Associations and non-governmental organizations (NGOs) supporting the rights of porters and guides, coupled with codes of conduct and regulations could improve working conditions.
- The governance of the Park militates against local communities gaining the maximum benefit from the asset (i.e. through not enforcing clear rules about the overloading of guides and a failure to distribute more than a token share of gross Park revenues to benefit local communities)¹⁰⁹.

- The **Netherlands Development Organisation, SNV**, an NGO supporting and facilitating sustainable pro-poor tourism in Tanzania by using the value chain analysis (VCA) approach in collaboration with the Overseas Development Institute to evaluate the amount of destination revenue spent among local people. SNV facilitates the application of the seven pro-poor mechanisms of the United Nations World Tourism Organization (UNWTO) and Destination Management Area (DMA) approach.
- **Kilimanjaro Porters Assistance Project (KPAP)**, an NGO supporting improved working conditions for porters, including classes in English, Human immunodeficiency virus (HIV), and first aid; surveys; lending porters clothing for climbs, and educating the public on porter working conditions¹¹⁰. Other associations include the Kilimanjaro Guides & Porters Union, Kilimanjaro Porters Association and Mount Kilimanjaro Porters Society.
- **Kilimanjaro Environmental Conservation Management Trust Fund (KECMTF)**, an NGO providing assistance to environmental activities of villages, wards and district environment committees, and mobilizing funds to support environmental activities¹¹¹.

2.3.3. *Relevance to policy*

Tourism development on Mount Kilimanjaro is largely in line with government policy. Since 1999 the tourism sector in Tanzania has been guided by its National Tourism Policy. The overall objective of the policy to “*assist in efforts to promote the economy and livelihood of the people, essentially [to alleviate] poverty . . . through encouraging the development of sustainable and quality tourism*”¹¹². The policy prioritises economic, social, environmental and cultural objectives. It also addresses specific strategies for marketing, eco- and cultural tourism, domestic tourism, land, inter-regional development, infrastructure (including Environmental Impact Assessments), human resource development, community participation, and financing¹¹³. One of the key tourism

¹⁰⁷ pers com. Sumba, 2010

¹⁰⁸ Various, including Mitchell and Keane, 2008; Mitchell et al, 2009

¹⁰⁹ Pers. Com. Mitchell, 2010

¹¹⁰ KPAP, undated a

¹¹¹ KECMTF, undated

¹¹² GoT, 1999

¹¹³ GoT, 1999

destinations promoted within the policy is Kilimanjaro. In 2002 the country also produced an Integrated Tourism Master plan to facilitate implementation of the policy. The core strategy of the plan is to develop “an integrated tourism product that is capable of attracting a low volume, high yield segment of the international tourism market”.

Tanzania’s National Strategy for Growth and Reduction of Poverty encourages the promotion of local tourism and an increase in linkages between tourism and local producers¹¹⁴. In addition, Tanzania’s Rural Development Strategy advocates that “the rural economy is linked to the new engines of economic growth, particularly tourism, in order to stimulate pro-poor growth”. The strategy states that outputs should be increased employment, improved participation of the local communities in planning and operation, and improved benefit sharing¹¹⁵.

The parastatal responsible for managing Mount Kilimanjaro, TANAPA has a 15-year management plan for the area which was developed through a participatory process. The plan states that tourism at KINAPA will achieve low visitor numbers per year and optimize revenue; whilst at the same time reducing visitor density, and limiting numbers per day towards limits of acceptable use, in order to maintain the Park resources and its low density tourism opportunities¹¹⁶.

2.3.4. Effectiveness and impact

Climbing Mount Kilimanjaro has been effective in promoting job creation for porters. It is estimated that guides undertake 17 trips a year, and porters and cooks around 14 trips. Given the number of trips tourists take up the mountain, this implies a labour force estimated at approximately 400 guides, 10,000 porters and 500 cooks¹¹⁷. However, there have been visitor management problems on the mountain including.¹¹⁸

- Congestion of people;
- Inadequate response to customer rescue problems;
- Poor quality of food provided by tour operators;
- Poor guiding and interpretation;
- Inadequate water supply at higher elevations;
- Use of undesigned trails and camp sites; and
- Litter.

One critic observes that that there is, “*absolutely no credible evidence that [the government] cares . . . about the environment (i.e. why not control numbers or distribute tourists more evenly over the route available or provide decent facilities?), or local people (i.e. why only distribute 5% of park fees or tolerate corruption on the gates which results in overloading of porters?), or tourists (i.e. why charge them for facilities they do not receive and not even provide decent medical evacuation and then hide the number of fatalities on the mountain?) they do however care a lot about [money] flowing into their organisations though*”¹¹⁹

The park management plan claims that it aims to address these problems, and to maintain the routes in adequate condition for all-year visitor use and access. For example, in relation to guides and porters, the Kilimanjaro code of conducts states that licensed guides must lead every climbing

¹¹⁴ Vice President's Office 2005

¹¹⁵ Prime Ministers office, 2001

¹¹⁶ TANAPA, 2006: pp71

¹¹⁷ Mitchell and Keane, 2008

¹¹⁸ TANAPA, 2006

¹¹⁹ Anonymous communication. Grammar adapted.

group, and that porters are permitted to carry a maximum of 25 kilograms, including their own luggage¹²⁰.

2.3.5. Innovation and noteworthy issues

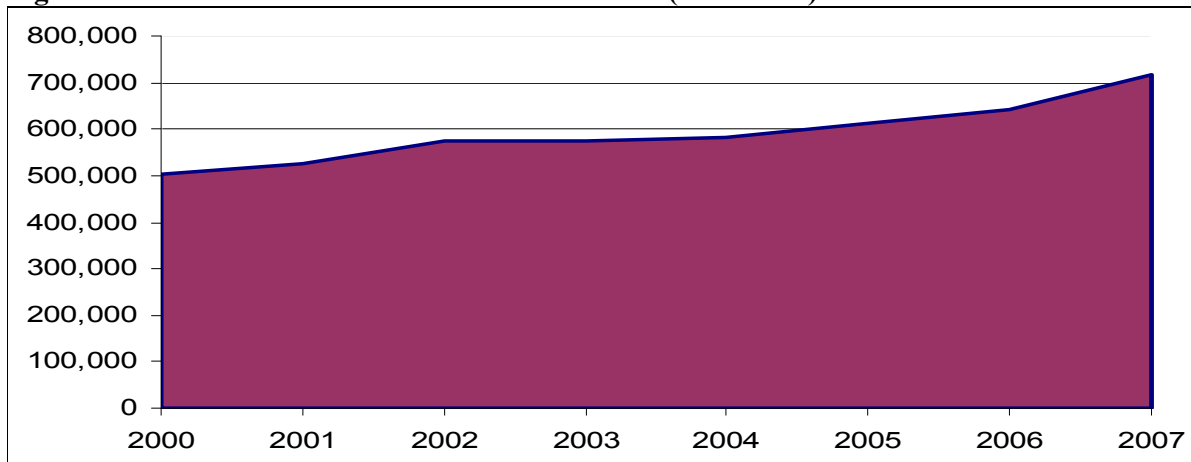
The noteworthy aspect of this destination is the level to which local people participate in, and benefit from, tourism. This is predominantly due to tourists using the services of local porters and guides, and also purchasing local food and drinks for their climb. The impacts of tourism have been studied by the ODI, on behalf of the Netherlands Development Organisation SNV.

2.3.6. Success and sustainability

a) Economic

The Government of Tanzania has recognised the potential of tourism to contribute to the growth of the economy and reduce poverty. In 2007 tourism contributed 17.2% of the country's gross domestic product and 25% of total export earnings¹²¹ and the sector is now Tanzania's leading foreign exchange earner (\$ 1,037.33 million in 2007)¹²². The number of tourists visiting Tanzania has been rising steadily and the industry has experienced a 43% increase in international arrivals between 2000 and 2007 (see Figure 5). In 2007, 719,031 visitors arrived in the country and one million tourists are expected by 2010.¹²³ During 2006/2007 there were 415,056 non-resident visitors to Tanzania's National Parks, and of these 9.2% were to Mount Kilimanjaro¹²⁴.

Figure 5: International visitor arrivals to Tanzania (2000-2007)¹²⁵



To climb the mountain, tourists must use a TANAPA registered guide. Almost all climbers book their climb as part of a package tour, where a local tour operator organizes the climbing staff (i.e. guides, porters and cooks), park fees, food and equipment. Some tourists buy their package directly from a Tanzania in-bound tour operator, but most book their climb with a tour operator in their home country and the international tour operator then sub-contracts a local operator¹²⁶. TANAPA

¹²⁰ TANAPA, 2006

¹²¹ TANAPA, 2008

¹²² Citizen Newspaper, 2008

¹²³ TANAPA, 2008

¹²⁴ TANAPA (2007) and NCAA staff, cited in Mitchell and Keane, 2008

¹²⁵ Ministry of Planning, Economy and Empowerment (2007) cited in Mitchell and Keane, 2008

¹²⁶ Mitchell and Keane, 2008

generate revenue from the park entrance fees, while the private sector build and operate hotels (including some of 4-star standard), shops, restaurants and tours¹²⁷.

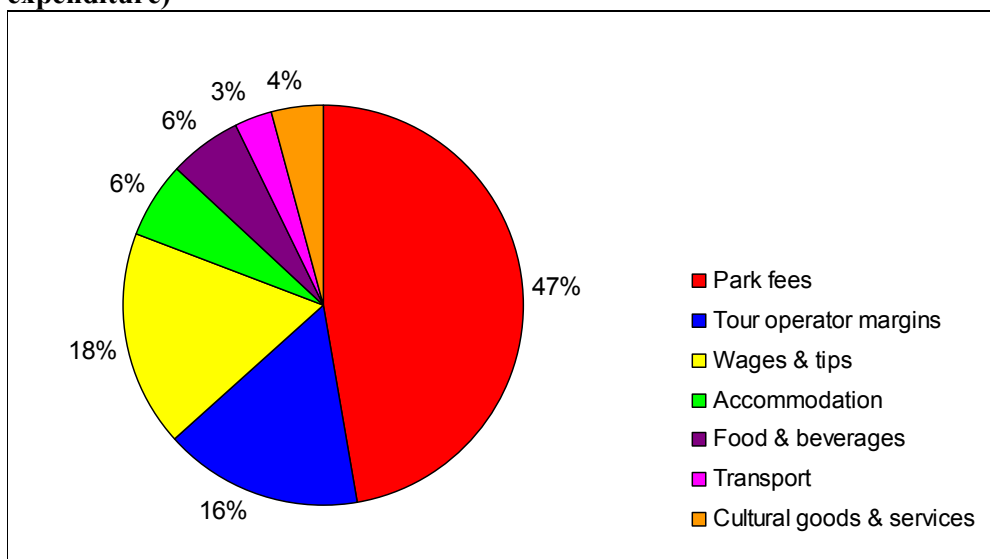
A typical climb package is sold by local tour operators for US\$1,205. This is an all-inclusive arrangement and includes 5 days on the mountain with a night in a hotel before and after the climb (normally in the neighbouring towns of Moshi or Arusha). In addition to this package cost, tourists spend an average of US\$171 of discretionary spending during the climb, which adds up to a total in-country spend of US\$1,376 per tourist per trip¹²⁸, or \$275 per day (see Table 12).

Table 12: Distribution of Mount Kilimanjaro tourist expenditure¹²⁹

Expenditure item	US\$ value
International package, including flights	\$3,150
Total out-of-country expenditure on package	\$1,945
Total within-country expenditure on package	\$1,205
Total tourist expenditure, including discretionary spend	\$1,376
Pro-poor expenditure	\$ 389

From the average in-country expenditure of US\$1,376 per tourist, the second largest item of expenditure is payments for climbing staff, at 18% (see Figure 6).

Figure 6: Cost components of a typical mountain-climbing holiday (from US\$1,376 in-country expenditure)¹³⁰



Mount Kilimanjaro climbing staff receive an average annual income (including both wages and tips) of US\$1,830 for guides, US\$ 842 for porters, and US\$ 771 for cooks. Porters wages vary significantly between different tour operators routes. Based on a survey of 2507 interviews conducted in 2009¹³¹, the Kilimanjaro Porters Assistance Project found widespread abuses of porters working conditions, with day rates varying from US\$3.50 to \$10.60 per day¹³².

There are two reasons that climbing staff capture such a large share of the benefits from tourism on Mount Kilimanjaro: Tips and the labour intensive nature of climbing. Firstly, tips from tourists to climbing staff are a very important supplement to the wages received from the tour operator, and

¹²⁷ Pers. Com. Mitchell, 2010

¹²⁸ Mitchell et al, 2009: pp4

¹²⁹ Mitchell et al, 2009: pp11

¹³⁰ Mitchell and Keane, 2008

¹³¹ See section 2 for more information on this project

¹³² Mitchell et al, 2009; KPAP, undated b

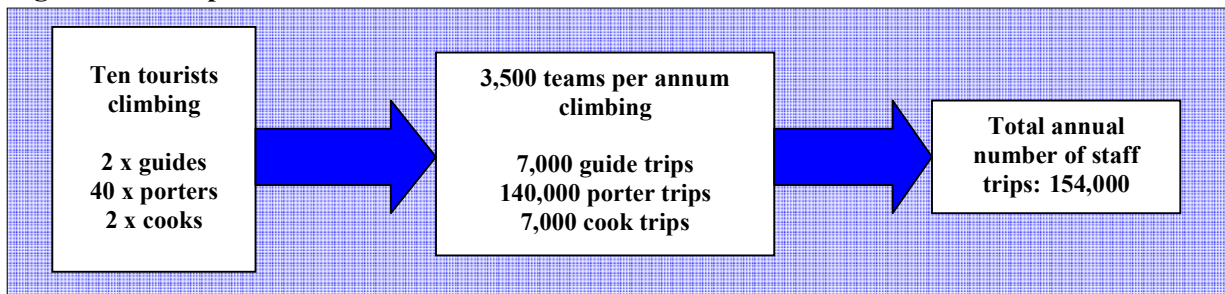
typically boost climbing staff wages by over 50%. Secondly, climbing Mount Kilimanjaro is extremely labour-intensive, with a typical group of 10 climbers supported by 2 guides, 40 porters and 2 cooks. It is estimated that 35,000 tourists each spending a week on the Mountain generate, albeit irregular and highly seasonal, jobs for approximately 400 guides, 10,000 porters and 500 cooks (see Table 13, and Figure 7)¹³³. However, it should be noted that this data from interviews with climbing staff in 2008 indicates pay rates that are lower than official rates (\$20 per day for guides, and \$10 per day for porters).¹³⁴

Table 13: Average Mount Kilimanjaro climbing staff, pay per day during a 7-day trip¹³⁵

Staff	Daily wage (US\$)	Daily tip (US\$)	Pay / trip (US\$)	Trips / year	Staff annual income (US\$)
Guide	10.00	5.38	108	17	1,830
Porter	5.00	3.59	60	14	842
Cook	5.00	2.87	55	14	771

Most of the lower-priced tour operators do not employ permanent climbing staff, they pay lower wages and generally have fewer porters per climber. Conversely, the higher-priced tour operators have better service quality, and generally employ guides on permanent contracts, they pay higher wages and use more porters per climber.¹³⁶

Figure 7: Example of the annual staff demand for climbers¹³⁷



Using the average Mount Kilimanjaro climber expenditure, and assuming that the estimated 35,000 annual climbers spend the same amount, implies a total in-country tourist expenditure of just under US\$50 million per year. This is a significant economic input in a rural context. Of this total, 28%, or over US\$13 million, is considered pro-poor expenditure. The ODI recognises that this is the most successful transfer of resources from international tourists to poor people living around the destination that they have observed in Africa or Asia. The basis for this estimate of pro-poor expenditure assumes that¹³⁸:

- 100% of all climbing staff are poor.
- 90% of food and beverage expenditure is locally sourced, from poor small-holder farmers via the local market in Moshi.
- 50% of expenditure on cultural goods and services is considered to be pro-poor (and poor producers receive approximately 50% of the retail price).

¹³³ Mitchell and Keane, 2008

¹³⁴ Pers. Com. Mitchell, 2010 & <http://www.tanzaniaparks.com/kili.html>

¹³⁵ Mitchell et al, 2009 : pp5

¹³⁶ Mitchell and Keane, 2008

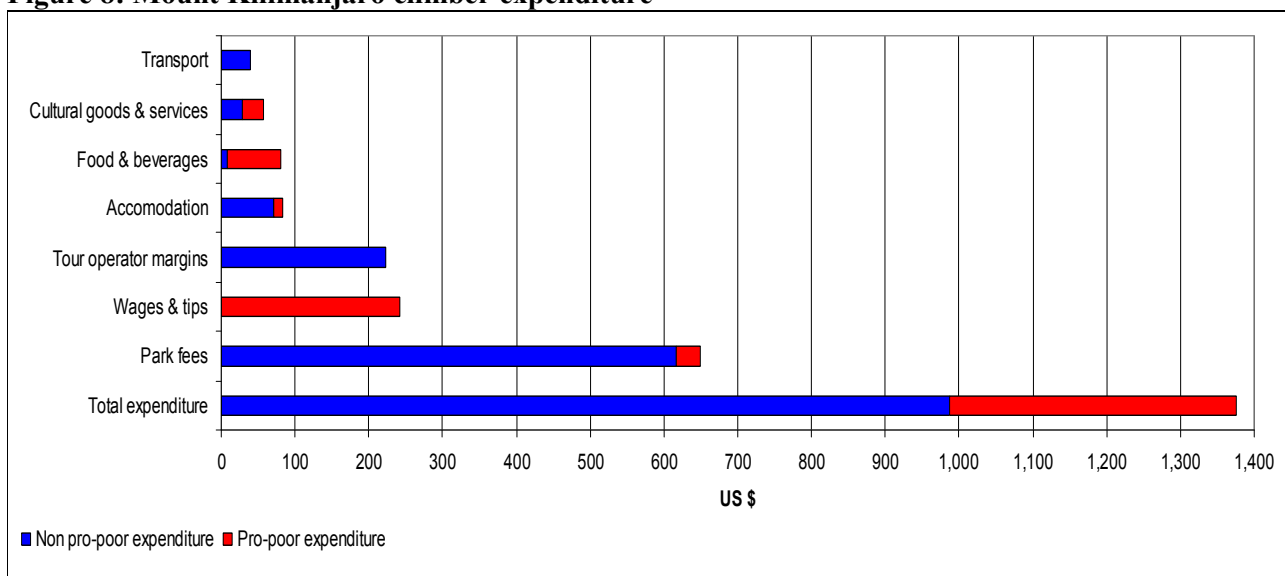
¹³⁷ Mitchell and Keane, 2008: pp22

¹³⁸ Mitchell et al, 2009

- 16% of accommodation costs are paid in non-managerial wages and are therefore considered to be pro-poor.
- 5% of National Park fees expenditure is pro-poor, as TANAPA employs local casual labour for cleaning operations and significant funds are also distributed through the Authority's Support for Community Initiated Projects programme (amounting to US\$1.4 million in 2006 for the whole of Tanzania).

The main direct beneficiaries of the Mount Kilimanjaro climbing value chain are climbing staff, who receive 62% of pro-poor expenditure, as well as non-managerial accommodation staff¹³⁹. Figure 8 shows how the pro-poor expenditure is broken down between different products and services.

Figure 8: Mount Kilimanjaro climber expenditure¹⁴⁰



Comparing these revenues with others in rural Tanzania means that the employment offered by the mountain climbing value chain is lucrative. Typical daily wages for farmers or farm labourers working on a seasonal basis average around US\$2 a day. Porters and cooks (those not requiring a TANAPA licence) can earn as much in one day spent climbing the Mountain, as they could in one week working as a farm labourer¹⁴¹. Therefore tourism is a more profitable livelihood strategy than agriculture, albeit a more hazardous one.

In order to optimise the revenue generated by Mount Kilimanjaro, two options could include either trying to hold visitor numbers at around 30,000 and use market mechanisms (i.e. pricing) to restrict demand, or go for volume and attract a private operator to put in a cable car¹⁴². Cable cars have been installed on Table Mountain in South Africa, Mount Fuji in Japan, and Sugar Loaf Mountain in Brazil which are close to, or embedded within, large cities. However installing cable cars can be controversial due to their impact on the aesthetic beauty of a mountain, particularly when they are located at remote World Heritage Sites (e.g. Machu Picchu in Peru).

¹³⁹ Mitchell et al, 2009

¹⁴⁰ Mitchell and Keane, 2008

¹⁴¹ Mitchell and Keane, 2008

¹⁴² Pers. Com. Mitchell, 2010

b) Environmental

There is a general management plan (GMP) for the park, which includes zoning of developments and activities (e.g. from Intensive Use Hiking Zones to Wilderness Zones).¹⁴³ Seven major categories of environmental problems in the Kilimanjaro Region were identified in 2000¹⁴⁴:

- Land degradation (including trail erosion);
- Inadequate water supply;
- Pollution;
- Habitat fragmentation and loss of biodiversity;
- Deforestation;
- Illegal grazing and poaching; and
- Frequent forest fires.

In 2001 trail erosion and firewood collection were the main negative environmental impacts of Kilimanjaro hiking trails¹⁴⁵. At that time, trail erosion was most serious in areas of higher rainfall, where the slopes are steepest and where there are few water breaks. Firewood collection had also been problematic, with porters forced to collect wood up to 4 km from the Horombo hut because of reduced local availability. The GMP no longer allows hikers to gather firewood on the mountain, and requires that they remove all of their rubbish¹⁴⁶.

Environmental problems have been caused from inadequate sewage treatment in pit latrines for tourists and porters on the mountain. Recognising the implications of pollution in water systems, and also health hazards and impacts on wildlife, the GMP for the park makes provision for infrastructure improvements¹⁴⁷.

TANAPA's objectives include that the '*conservation of the park's exceptional resources takes precedence over all other values*'¹⁴⁸. The strategy of KINAPA (Kilimanjaro National Park Authority), echoing that of TANAPA is to strive to attract 'higher quality tourists' – that is higher-paying tourists who have an interest in eco-tourism, or sustainable use of natural resources which benefit surrounding communities. However, some observers state that although KINAPA and TANAPA claim that they prioritise conservation over revenue collection, their actions at Kilimanjaro suggest the contrary: on the one hand, revenue collection has increased rapidly due to increases in visitor numbers and sharp increases in fees per tourists¹⁴⁹.

However, another perspective is that increases in prices were actually an attempt to control the number of visitors, but was not successful because arrivals actually increased. Therefore, it appears that this hiking product is very price in-elastic¹⁵⁰, and even steep increases in price do not suppress demand. Therefore controls of numbers need to be managed through quotas, or by increasing the price until the point where demand is reduced¹⁵¹. The 2006 management plan for the park now establishes maximum number of visitors per day for each entrance point, which are lower than the peak visitation levels. This plan also sets a limit of people on the peak of the mountain at 200 (but this number of people is rarely observed)¹⁵².

¹⁴³ UNESCO, 2010

¹⁴⁴ KECMTF, undated; UNESCO, 2000

¹⁴⁵ Newmark and Nguye, 2001

¹⁴⁶ UNESCO, 2010

¹⁴⁷ TANAPA, 2006

¹⁴⁸ TANAPA 2008

¹⁴⁹ Mitchell and Keane, 2008

¹⁵⁰ Pers. Com. Mtui, 2010

¹⁵¹ Pers. Com. Mitchell, 2010

¹⁵² TANAPA, 2006

c) Social and cultural

The Mount Kilimanjaro GMP was developed using public involvement to ensure that public's interests in the park, cultural traditions, and community surroundings were considered. Key stakeholders were also involved in the GMP review process. TANAPA report that the process actively sought out and consulted with existing and potential visitors, park neighbors, people with traditional cultural ties to park lands, scientists and scholars, cooperating associations, gateway communities, other partners, and government agencies¹⁵³.

The working conditions for porters can be arduous and dangerous. Up to 20 guides and porters die on Kilimanjaro every year, from altitude sickness, hypothermia and pneumonia brought on by inadequate equipment and the relentless, competitive pressure to keep working¹⁵⁴.

The Kilimanjaro Guides Association (KGA) and Kilimanjaro Porters Association (KPA) are 'home-grown' initiatives established as a form of self-regulation of porters. Currently around 7,000 porters are registered, out of an estimated total of 15,000 and most unregistered porters are located in West Kilimanjaro¹⁵⁵. One of the services offered by these associations is to represent aggrieved guides and porters who have been mistreated either by guides or tour operators¹⁵⁶. The United Kingdom-based NGO Tourism Concern has published useful guidance for tour operators and tourists on how to improve conditions for porters, including suggested payments¹⁵⁷.

Women find it difficult to do the job on the mountain (even if they are qualified guides) due to various reasons including a sense of discomfort in the camps as there are no special provisions for women guides or porters. Despite this, there are some female porters (around 9 have registered with the Kilimanjaro Porters Association); of which two have subsequently become guides¹⁵⁸.

The Mount Kilimanjaro area is endowed with favourable weather conditions and fertile volcanic soils suitable for agriculture where almost any crop grows including coffee, bananas, fruits, vegetables wheat/barley, cereals and dairy cattle. Therefore tourism complements these other sources of livelihoods¹⁵⁹.

The Kilimanjaro region has some of the highest school enrolment rates (100%) and life expectancy figures (59 years), and adult literacy rates (85%) for the whole country. However, if measured solely by Gross Domestic Product (GDP) per capita, the Kilimanjaro region remains below the national average. Nevertheless, GDP per capita has increased over the period 1996-1999 to 2000-2003 and the Kilimanjaro region has improved its relative position in Tanzania¹⁶⁰.

2.3.7. Successes and Constraints

The successes of Kilimanjaro include its capacity to generate revenue for the park and for local people. The relatively high revenue generated by the parks agency TANAPA relates to the long length of stay required to climb the mountain (5-10 days). Hundreds of local people benefit from the relatively high-value of seasonal employment as porters, guides and cooks. However, it is clear that this is not easy work. Difficulties include poor working conditions on the mountain (with poor equipment and often heavy packs to carry), which mean that the work tends to be done only by

¹⁵³ TANAPA, 2006

¹⁵⁴ Reid, 2008

¹⁵⁵ Mitchell and Keane, 2009: pp25

¹⁵⁶ Mitchell and Keane, 2009: pp26

¹⁵⁷ Bate, undated

¹⁵⁸ Mitchell and Keane, 2009: pp25

¹⁵⁹ Pers. Com. Mtui, 2010

¹⁶⁰ Mitchell and Keane, 2009: pp13

young, strong men. However, agricultural work is predominately done by women, and this indicates a gender bias in the way that guides recruit their teams¹⁶¹.

Adequate management of the Kilimanjaro National Park, and other mountain destinations, is vital to ensure that the integrity of the aesthetic value and biodiversity of the area is maintained. Mountains are particularly fragile and sensitive ecosystems, and thousands of hikers and support staff can have considerable impacts. The main environmental issues relating to hiking are of resource use (i.e. water, fuel wood), waste management (i.e. litter and sewage) and trail erosion.

The TANAPA management plan for the park aims to diversify the range of hiking activities, and to include day trips and other routes to the summit, plus new products like ecotourism in local communities, canopy walkways and mountain biking¹⁶². It is this type of diversification of activities that will allow the park to be more robust to changes in demand from visitors, should the snow indeed disappear and the attractiveness of hiking the summit decline. Another useful strategy to reduce congestion would be to spread hikers between routes more evenly¹⁶³.

It has been recognized that with a relatively weak regulatory framework, the best-intentioned Government initiatives can be undermined by actors in the tourism value chain who have more economic power than the porters (i.e. just about everyone)¹⁶⁴. The key issue to address is the lack of economic power of the porters. They suggest that one of most effective ways to begin to tip the power imbalance is for representative bodies such as the porters and guides associations to be strengthened so that they can begin to address abuses against their membership. Engaging with and empowering these associations may be the most important action point to increase the pro-poor impacts of mountain-climbing at Kilimanjaro¹⁶⁵.

For other emerging destinations that aim to sustainable tourism on mountains, the following issues could be considered:

- Adequate infrastructure and services for the number of hikers and porters on the mountain, including for sleeping, ablutions, drinking water and cooking.
- Adequate trail management with suitable design to accommodate the environmental conditions and number of hikers, including options for 'one way' routes where necessary.
- Appropriate environmental management of waste, including sewage.
- Licensing for tour operators that require safe working conditions for guides and porters.
- Codes of conduct for that are enforced by park officials, including environmental issues to conserve the mountain's resources, and to support good working conditions for guides, porters and cooks.
- Enforcement of regulations, particularly at park gate entrances and of tour operator conduct.
- Development of small businesses to provide tourists with high-energy hiking snacks using local agricultural products (e.g. nuts, fruits, seeds) to add value.
- Adding additional activities to the destination and environs, suitable for the less adventurous tourists, and also for recuperation periods following climbs (e.g. spas, massage etc.)

¹⁶¹ Pers. Com. Mitchell, 2010

¹⁶² TANAPA, 2006

¹⁶³ Pers. Com. Mitchell, 2010

¹⁶⁴ Mitchell et al, 2009

¹⁶⁵ Mitchell et al, 2009: pp7

- Monitoring of the livelihood impacts of guides, porters and people indirectly involved in the tourism industry.
- Re-investment of park income in local community facilities and services, including health care, education and access.

Table 14: Some useful weblinks on Mount Kilimanjaro

Institution	Website
African Wildlife Foundation	http://www.awf.org/content/heartland/detail/1283
Kilimanjaro Porters Assistance Project	www.kiliporters.org
ODI summary report on Tracing the Tourism Dollar in Northern Tanzania	http://www.odi.org.uk/work/projects/details.asp?id=901&title=tracing-tourism-dollar-northern-tanzania
SNV tourism	http://www.snvworld.org/en/ourwork/Pages/tourism.aspx
Tanzania National Parks (TANAPA) and Kilimanjaro page	www.tanzaniaparks.com http://www.tanzaniaparks.com/kili.html
UNESCO on Kilimanjaro	http://whc.unesco.org/en/list/403/documents/

2.3.8. Acknowledgements

This paper draws largely on the value chain analysis work undertaken by Jon Mitchell and Jodi Keane of the Overseas Development Institute (ODI), on behalf of SNV. Thanks to Daudi Sumba (African Wildlife Foundation), who provided useful documents that supported this paper, and reviewed a draft version of this paper. Also thanks to Jon Mitchell,(ODI), Elibariki Mtui-Heril (SNV) and Andrew Rylance (GtZ) who also commented a draft version of this paper, and to Hannah Messerli and Vincent Palmade (World Bank) for their contributions.

2.3.9. Acronyms

AWF	African Wildlife Foundation
DMA	Destination management area
GDP	Gross Domestic Product
GMP	General management plan
HIV	Human immunodeficiency virus
KECMTF	Kilimanjaro Environmental Conservation Management Trust Fund
KGA	Kilimanjaro Guides Association
KPA	Kilimanjaro Porters Association
KPAP	Kilimanjaro Porters Assistance Project
NGO	Non governmental organisation
ODI	Overseas Development Institute
SNV	Netherlands Development Organisation
TANAPA	Tanzania National Parks
UNESCO	United Nations Culture Organisation
UNWTO	United Nations World Tourism Organization
VCA	Value chain analysis

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2.4. Case study 4: Beach tourism in the Seychelles

2.4.1. Overview of the concept

This case study analyses tourism development in the Seychelles to illustrate how government can provide a stable enabling environment for tourism investment on a network of islands. It has done this by formulating appropriate policies, by partnering with international agencies that bring targeted investment and technical assistance, and by providing space and dialogue with conservation non-governmental organisations (NGO).

Small Island Developing States (SIDS) have a series of special issues that relate to coastal tourism development. These include access by air and sea, leakage of revenues due to imports, limited human resources and critically the management of the coastal environment. SIDS are typically vulnerable territories with limited financial resources that host unique terrestrial and marine ecosystems with special qualities such as exotic coral reefs, unique geological features and attractive landscapes. In addition, in most SIDS and other small islands, local communities preserve unique traditions and cultures. While tourism development can be crucial to the economic development and poverty alleviation on SIDS, this development can have serious, and in some cases irreversible, environmental and social impacts if not managed appropriately¹⁶⁶.

The Seychelles is a small island country located in the Indian Ocean, with a population of 87,000. Tourism, tuna fishing, and financial services are the three main economic sectors in Seychelles¹⁶⁷. Of these, tourism directly employs a third of the workforce and accounts for more than 90% of export earnings¹⁶⁸. The high quality tourism product is based on the natural beauty of the islands, an attractive investment climate, stable political situation, and decent flight connections to the major European source markets¹⁶⁹. Visitors to the Seychelles are struck by the calm blue seas, clean sandy beaches, and lush forests of the islands. Beach activities and water sports provide the main tourism attractions on the islands, and the coral reefs are teeming with fish for snorkellers and scuba divers to enjoy.

Box 14: Key issues in the Seychelles case study

- To remain competitive, beach destinations need to conserve their natural environment to ensure that they remain attractive.
- A strong policy framework, collaboration with a strong conservation non-governmental organization (NGO) network, and partnerships with the private sector support this.
- Small Island Developing States face human resource constraints, which means that they sometimes need to use expatriate labour for both technical and menial tasks (e.g. construction).
- A network of local technical experts can create amicable atmosphere for collaboration and communication.
- Remote tourism destinations have to be particularly adaptive and dynamic in addressing problems that emerge, such as the global recession and negative publicity.

¹⁶⁶ UNEP, 2006

¹⁶⁷ Pers. Com. Fleischer-Dogley, 2010

¹⁶⁸ Mintel, 2009

¹⁶⁹ Twining-Ward, 2009

2.4.2. Motivation of the actor

The Seychelles destination is a melting pot of agencies pushing towards sustainable coastal tourism. A number of these are listed below:

- **National government**, including the Department of Environment collaborating with United Nations agencies and NGOs, and developing the policy and legislative framework for tourism and conservation.
- **Seychelles Tourism Board (STB)**, which is the destination management parastatal for the country. The main functions of the STB are to: a) Promote the efficient and sustainable development of tourism; b) assist and advise the government in development of the sector; c) encourage improvement of the tourism product; d) establish codes of practice and standards; and ensure they are complied with, carry out market research and implement marketing strategies, with an annual budget of SR32 million (US\$ 2.6 million)¹⁷⁰. STB obtained funds from the Commonwealth Secretariat to undertake a value chain analysis of the tourism sector (to maximise local linkages), and from the UN World Tourism Organization to develop an ecotourism strategy for Anse Royale District. They have also undertaken an internal review of ecotourism products, sites and activities¹⁷¹.
- The **Small Enterprise Promotion Agency (SENPA)** is a parastatal under the Ministry of Economic Planning and Employment. It has 600 registered small businesses, including cottage industries, and aims to promote small enterprises and development of crafts and cottage industries. Provides training and business advice, in addition to supervising construction and management of micro-enterprise centre developments (Spenceley, 2008)
- **Seychelles Investment Bureau (SIB)** is a parastatal that reviews all investment options, and creates one-stop-shops for large investors (e.g. turnover of over SR1 million per year [approximately US\$83,000]; more than 10 employees)¹⁷².
- The **United Nations Development Program (UNDP)** has a ‘Mainstreaming biodiversity’ program of US\$11.2 million which is (a) developing a sustainable tourism label and encouraging Environmental Management Systems to be adopted by tourism operators; (b) developing incentives and sustainable financing for mainstreaming of biodiversity in the tourism sector and (c) promoting joint management systems involving tourism operators developed for biodiversity conservation in ecologically sensitive areas¹⁷³. The sustainability label was initiated by the former Department of Transport and STB, as a goals of the Ecotourism Strategy (SETS 21).
- The **United Nations Industrial Development Organisation (UNIDO)** is implementing a Collaborative Actions for Sustainable Tourism (COAST) program of \$29.5 million¹⁷⁴ to demonstrate best practices and strategies for sustainable tourism development so as to reduce the degradation of marine and coastal environments of trans-boundary significance.¹⁷⁵
- **Regional Coastal Management Program of the Indian Ocean Countries (RECOMAP)** is a European Union funded project for the sustainable management of the coastal zones of the countries of the Indian Ocean. It involves seven focus countries of the region, namely the Comoros, Madagascar, Mauritius, Kenya, the Seychelles, Somalia and Tanzania.

¹⁷⁰ RoS-UNDP-GEF, 2006

¹⁷¹ Seraphine, 2010

¹⁷² Spenceley, 2008

¹⁷³ Republic of Seychelles, 2006

¹⁷⁴ divided unequally between 9 countries

¹⁷⁵ UNEP-GEF, 2007

- **Private sector** enterprises promoting sustainable tourism development and implementation in general (including conservation and corporate social investment) include Wilderness Safaris, Banyan Tree and also developers on the islands of Denis and Cousine.
- **Sustainability for Seychelles** is a non-governmental organisation (NGO) addressing waste management (recycling) and environmental awareness.
- The **Marine Conservation Society of Seychelles (MCSS)** is an NGO working with hotel operators and other groups on Denis, Cousine, Bird, North, D'Arros and Aride islands. On Mahe they work with Banyan Tree on turtle monitoring on beaches. They also work on mooring installation and maintenance to minimise anchor damage to coral reefs.¹⁷⁶
- The **Seychelles Island Foundation (SIF)** is an NGO working on the World Heritage Sites of Aldabra, and the Valee de Mai, on research, conservation, and managing tourists. Vallée de Mai is the top natural site visited in Seychelles (with approximately 43% of all tourists to the Seychelles visiting). They are implementing Codes of Conduct with tourist guides to achieve sustainable tourism.¹⁷⁷
- **The Ecotourism Society of Seychelles (TESS)** is an NGO promoting ecotourism in the islands, mainly in the Anse Royale district.
- **Nature Seychelles** is an NGO that aims to improve the conservation of biodiversity through scientific, management, educational and training programmes. Instrumental in making Cousin Island Special Reserve the world's 1st carbon neutral nature reserve
- The **Green Island Foundation** is an NGO working to mainstream sustainable development in the Seychelles, particularly on Denis Island.
- The **Island Conservation Society** is an NGO that promotes the conservation and restoration of island ecosystems, sustainable development of islands, and awareness of their vulnerability and vital importance to the planet's biodiversity.

2.4.3. *Relevance to policy*

The development of the Seychelles' coastal tourism product in a sustainable manner, is directly aligned with the national development priorities and policies.

Since the 70's the Government of Seychelles has developed and adopted a stringent policy of conservation for the local wildlife and pristine environment. This has led to considerable positive gains for the environment, the tourist industry and the quality of life on the islands. Once the Environment Protection Act in 1994 was proclaimed, any development (including tourism) became subject to an Environmental Impact Assessment (EIA). The EIAs screen the project details and also propose mitigation measure to reduce the impact of the development on the environment¹⁷⁸. An Environmental Management Plan for the Seychelles had four goals for the period 2000 – 2010. These were to¹⁷⁹:

- Develop and market Seychelles as a world eco-tourism destination;
- Promote sustainable tourism development in Seychelles;
- Promote sustainable designs and resources management in the tourism sector; and
- Build institutional capacity to deal with environmental management in the tourism sector.

Vision 21: Tourism Development in Seychelles 2001 - 2010, is a strategic document and provides the guiding philosophy and principles for tourism development into the 21st century based on the following vision¹⁸⁰:

¹⁷⁶ RoS-UNDP-GEF, 2006

¹⁷⁷ Pers. Com. Fleischer-Dogley, 2010

¹⁷⁸ Fleischer-Dogley, 2004

¹⁷⁹ Fleischer-Dogley, 2004

¹⁸⁰ Fleischer-Dogley, 2004

“Tourism in Seychelles shall continue to be developed to the highest standards for the optimum social and economic benefits of the Seychellois people while maintaining a commitment to the protection and conservation of the natural environment and biodiversity
“

In addition, the national Ecotourism Strategy (SETS 21) addresses issues including ecotourism, marine activities, community based tourism, cultural heritage, handicrafts and public beach parks (MTT, 2003). The strategy promotes the concept of “Chez l’Habitant”, or homestay approach to accommodation. However, in practice formalising homestays is not currently possible, because there is no national policy for this form of accommodation¹⁸¹. Instead the local residents can build separate houses or self-contained units for leasing out to visitors, rather than offer rooms in their own residence¹⁸².

The emphasis on a policy environment that supports conservation indicates the governments’ recognition of the importance of the country’s natural resources for maintaining the tourism industry, and supporting local livelihoods.

2.4.4. Effectiveness and impact

The Seychelles has observed private sector growth in the islands, particularly within the 3 to 5- star range. Smaller boutique and owner-operator accommodation enterprises are also important, and the number of available rooms has increased slowly from 2,360 in 2002 to 2,360 in 2008¹⁸³ (see Table 15). Although the total number of rooms declined between 2007 and 2008 due to renovation work, significant growth in rooms is expected between 2010 and 2011. Approximately 20 new properties are near completion. These include the 89-villa private island Shangri- La Resort and Spa; the 90-villa Raffles (or KHI Seychelles 01 Limited); the 270-room Emirates Cap Ternay Resort and Spa; and Beachcomber Trou aux Biches on Praslin¹⁸⁴. The 2017 Strategy Plan for the tourism sector (developed in 2007) expects the total number of rooms in the Seychelles to almost double between 2008 and 2013¹⁸⁵.

Table 15: Tourism accommodation and occupancies between 2004 and 2008¹⁸⁶

Date	Number of rooms	Number of beds	Average room occupancy (%)
2004	2,480	5,030	46
2005	2,420	4,920	48
2006	2,530	5,140	54
2007	2,710	5,460	58
2008	2,360	4,840	60

International hotel chains on the Seychelles include Banyan Tree, Berjaya, Le Meridien, Southern Sun, Constance Hotels, Hilton, Universal Resort Group, Beachcomber, and Naiade Resorts¹⁸⁷ and also guesthouses and self-catering villas. Half of all hotel rooms are located on Mahe, and in 2008, 51% of all visitors stayed there, 26% in Praslin, 6% on La Digue, 10% on one of the other islands and 9% on a yacht or cruise ship¹⁸⁸.

¹⁸¹ UNDP, 2009

¹⁸² Pers. Com. Seraphine, 2010

¹⁸³ NSB, 2009a

¹⁸⁴ Twining-Ward, 2009

¹⁸⁵ STB, undated

¹⁸⁶ NSB 2009b, cited in Twining-Ward, 2009

¹⁸⁷ Brand.house, 2010

¹⁸⁸ Twining-Ward, 2009

2.4.5. *Innovation and noteworthy issues*

One of the interesting aspects of the Seychelles, which probably contributes towards the effectiveness of the sustainable tourism programs, comes from a close network of committed individuals working within the different agencies. Perhaps in part due to the small population, and the limited number of skilled professionals in the tourism and conservation sector, there is strong communication and collaboration between them and it is relatively easy to arrange meetings when required. There is also an interesting ‘rotation’ of the professionals between institutions over time, including between government, NGOs and donor projects. This has also led to strong cross-linkages, and understanding particularly within the conservation sector.

It is also noteworthy that there are a number of ongoing partnerships for conservation actions that incorporate ecotourism and protected area management. These include¹⁸⁹:

- Banyan Tree resort and the MCSS;
- Cousine Island and Nature Seychelles;
- North Island Resort (Wilderness Safaris) with the Island Conservation Society and Plant Conservation Action Group; and
- Invasive alien species control programs on the islands of Fregate, Bird, and Denis, with the Green Island Foundation¹⁹⁰.

The presence of these partnerships, where the private sector collaborates with NGOs also demonstrates that the Seychelles has attracted operators that actively support the conservation of the destinations where they invest. Their work also supports the reputation of the Seychelles as a destination interested in conservation of the environment.

2.4.6. *Sustainability*

a) Economic

Tourism is one of the three main economic sectors in Seychelles and accounts for more than 90% of all export earnings¹⁹¹. As a result of revenue generated by tourism, tuna fishing and financial services, coupled with the small population, the level of poverty in the Seychelles is low, with less than 2% living under US\$2 per day¹⁹².

The coastal tourism industry in the Seychelles is very attractive in the market, and is ranked 9th globally by the World Travel and Tourism Council (WTTC) in terms of the % total Gross Domestic Product (GDP) from the entire travel and tourism economy (i.e. direct, indirect and induced contributions) (see Table 16). For the direct contribution of tourism towards GDP, the contribution is estimated at around 25.6%¹⁹³.

¹⁸⁹ GoS-UNEP-GEF, 2006

¹⁹⁰ Pers. Com. Seraphine, 2010

¹⁹¹ Mintel, 2009

¹⁹² World Bank, 2010

¹⁹³ McKewan and Bennet, 2010

Table 16: Comparison of travel and tourism economies¹⁹⁴

WTTTC League Table Extract		2010
Travel & Tourism Economy GDP		% of total GDP
4	Maldives	63.4
9	Seychelles	46.4
19	Mauritius	26.5
51	Madagascar	12.7
85	Kenya	9.0
90	India	8.6
100	Tanzania	8.0
101	South Africa	7.7
110	Sri Lanka	7.5
132	Solomon Islands	6.4

In 2008, 158,952 tourists visited Seychelles, spending an average of US\$2,303 each during their trip¹⁹⁵. Collectively, expenditure by leisure tourists was predicted to be SCR995.0 million (approximately US\$73.4 million) in 2010, and SCR222.4 million (approximately US\$16.4 million) by business travellers¹⁹⁶. The islands have one of the longest lengths of stay in sub-saharan Africa (10.1 days in 2009) and one of the highest proportions of holiday visitors (91%)¹⁹⁷, with a minority on business (4.7%).¹⁹⁸ The length of stay is probably due to a combination of factors, including it being a long-haul destination for leisure travellers such as honeymooners (i.e. the main originating markets are France (20%), Italy (16%), Germany (14%), United Kingdom and Ireland (12%) and South Africa (5%)¹⁹⁹) and that that tour operators offer value-for-money packages for extended stays.

Recent tourism investments have seen major resorts being developed (e.g. Eden Island, 450 units; Ephelia, 267 units; Raffles, 120 units). The new larger properties are going to enjoy economies of scale and economies of scope which will allow them to achieve a variety of efficiencies and cost reductions. The Seychelles has internationally branded hotels and resorts including Four Seasons, Hilton and Banyan Tree in addition to high quality hotel groups such as Beachcomber and Constance Hotels of Mauritius, and the Universal Group from Maldives.

Foreign ownership of tourist accommodation has long existed in the Seychelles, and 20 of the larger hotels are currently foreign owned (less than 10% of the businesses), out of 200 accommodation enterprises in the country. The foreign investment accounts for some 68% of the revenue potential in the tourism accommodation sector in the Seychelles.²⁰⁰ This has serious consequences for leakage. In 2008 estimates of tourism investment amounted to nearly SR 3 billion (US\$ 375 million). However, only 5%-15% of construction costs is retained within the Seychelles economy. This is because aside from quarry material, all construction materials have to be imported, and the vast majority of the construction labour is expatriate. Although Foreign Direct Investment is useful in providing capital needed to create physical assets in the Seychelles, the investor expects to get his return on investment in 2-6 years, and then expects to continue repatriating profits throughout the economic life of the asset²⁰¹. Similarly, analysis has revealed that around 88% of materials and goods, and 80% of other operating costs are imported by the accommodation sector. This means

¹⁹⁴ WTTTC, 2010: pp8

¹⁹⁵ Mintel, 2009

¹⁹⁶ WTTTC, 2010, Using <http://www.oanda.com/currency/converter/> rate from 11 October 2010. SCR 1 = US\$0.07380

¹⁹⁷ Twining-Ward, 2009

¹⁹⁸ Leisure and business, 2010

¹⁹⁹ Leisure and business, 2010

²⁰⁰ McKewan and Bennett, 2010

²⁰¹ McKewan and Bennett, 2010

that the majority of capital infrastructure and operational expenditure is not retained within the Seychelles economy.

Evaluating the distribution of tourist spend that is retained in the local economy, a recent value chain analysis found that 33% of non-hotel spend was accrued by restaurants (SCR403 million, or US\$33 million) in 2009, followed by 19% on excursions and 12% on souvenirs (see Table 17)²⁰².

Table 17: Spend by tourists within the tourism value chain²⁰³

Item	Average proportion of tourism expenditure (outside hotels)	Estimated spend in Seychelles in 2009 (SCR millions)	Estimated spend in Seychelles in 2009 (US\$ millions)
Accommodation	-	2706	225.5
Restaurants	33%	403	33.6
Car Hire	9%	104	8.7
Taxis	4%	47	3.9
Bus Fares	0%	5	0.4
Organised Excursions	19%	226	18.8
Local Air tickets	3%	33	2.8
Boat fares	4%	54	4.5
Souvenirs	12%	146	12.2
Sports	5%	63	5.3
Other shopping	5%	64	5.3
Other	6%	69	5.8
Total	100%	3922	326.8

The WTTC estimates that 31.5% of all jobs in Seychelles are directly linked to travel and tourism (12,400 jobs) and 56.4% of total employment is indirectly and directly linked to tourism²⁰⁴, but the National Bureau of Statistics (NBS) puts the figure closer to 8,800 (see Table 18). This discrepancy may be due to the estimates and models used by WTTC, and therefore the NBS figure is probably more accurate.

Vocational and management tourism training is available at the Seychelles Tourism Academy (STA). The STA currently has over a thousand students on campus and on in-service training deployment. Supported by STB, the academy aims to give more Seychellois citizens and the skills to work in hotels, resorts, and guest houses across the islands, allowing for the gradual replacement of foreign workers²⁰⁵. A new 4-year tourism management course is due to start at the University of the Seychelles in 2010, targeting people in hotel management²⁰⁶.

²⁰² McKewan and Bennett, 2010

²⁰³ NSB cited in McKewan and Bennett, 2010: pp 1

²⁰⁴ WTTC, 2010

²⁰⁵ Thome, 2010

²⁰⁶ Pers. Com, Dr. R. Payet, University of Seychelles, 2010

Table 18: Employment across the tourism sector in the Seychelles, between 2006 and 2008²⁰⁷

Sector of Employment	2006	2007	2008
Large Hotels	3,679	3,972	3,882
Small hotels	789	821	954
Airlines Operator	716	729	879
Travel Agents/ Tour	488	585	652
Restaurants	504	527	519
Hire Craft, Yacht Charter and	314	394	445
Self-caterings	197	222	415
Car Hires	217	256	323
Casino	257	280	286
Tourism Administration	90	90	153
Retailers	42	46	110
Diving Centres (4)	83	81	85
Arts & Craft (3)	98	86	43
Craft workers	39	18	29
Discotheques	43	36	27
Clubs	23	26	8
Total	7,579	8,169	8,810

b) Environmental

While the actual impacts of tourism development have not been quantified, it is the cumulative impacts that are perceived to pose the greatest threat. These impacts arise from the construction of new infrastructure and ongoing tourism operations. Most tourism facilities are concentrated along the environmentally sensitive coastline and on the smaller islands. Many islands lack natural harbors and tourism development on the islands sometimes involves the construction of landing facilities. Tourism operations also generate sewage and nutrient pollution, and the marine ecosystems found in bays and shallow coastal waters protected by reefs are especially susceptible to nutrient pollution. Environmental stresses such as those caused by nutrient pollution or sedimentation are especially critical for the young coral that has started to recover following the major bleaching event of 1998. Physical damage to coral reefs from tourism operations also may be incurred as a result of damage from boat anchors and trampling by tourists at low tide²⁰⁸.

However, EIAs take place prior to commencing tourism development, and the level of detail of these depends on the extent of the development. Relevant projects submitted to the Department of Environment are circulated to relevant stakeholders for review (e.g. the District Authority; Seychelles Investment Bureau). EIA reports are put on public display for comments for two weeks. Public meetings are also held to discuss impacts of future developments on the host area and community²⁰⁹. Although the government policy on environmental impact assessments is present, anecdotal reports suggest that it is not stringently enforced. For example, some coastal tourism resorts have been developed where mangrove areas have been destroyed, and there is pressure on the government to approve major developments in order to attract international investment and job creation. Unfortunately this problem is not unusual, and is also reported to take place in other coastal destinations in Africa (e.g. Mauritius, Mozambique).

Nevertheless, in general terms, the Seychelles is still a beautiful and lush tourism destination, rich in biodiversity. In terms of rare species, it is reported that²¹⁰:

²⁰⁷ NSB cited in McKewan and Bennett, 2010: pp 18

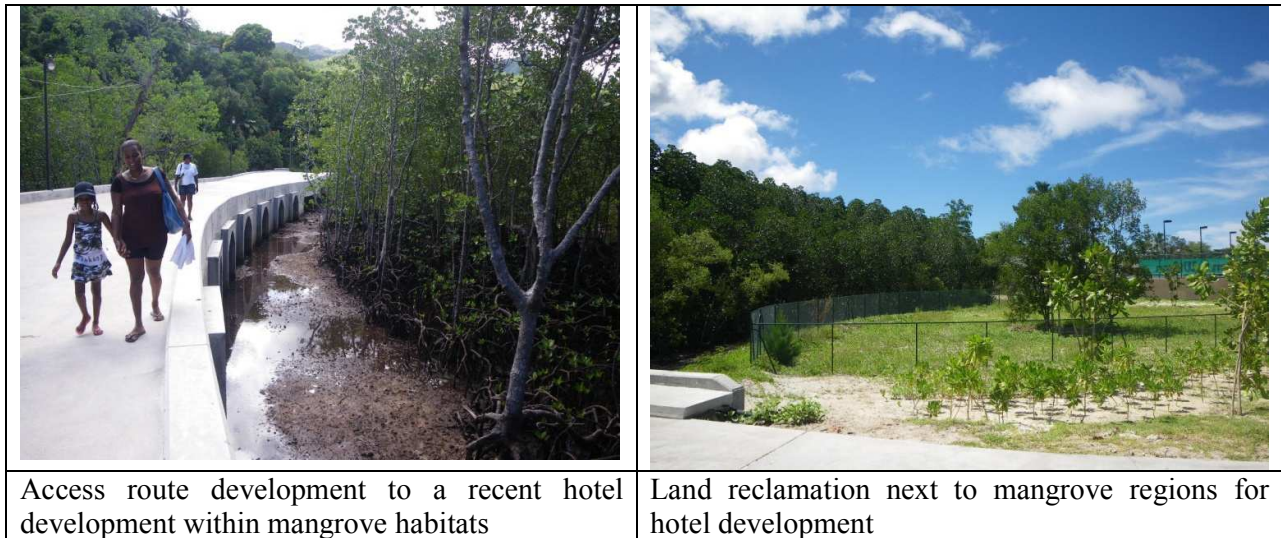
²⁰⁸ GoS-UNEP-GEF, 2006: pp 21

²⁰⁹ UNDP, 2009

²¹⁰ Kueffer & Vos, 2004; Shah et al.1997

- Of the 250 indigenous floral species in Seychelles, almost 21% are now considered threatened.
- Thirty endemic taxa of birds occur, including 8 that are classified as globally threatened.
- Aldabra has the largest surviving wild population of giant tortoises in the world (around 140,000), and the last remaining wild populations of tortoises in the Indian Ocean.

Therefore the Seychelles has conservation management issues for both new and existing tourism developments.



c) Social and cultural

One of the rich elements of visits to the Seychelles for international travellers, is the opportunity to sample the rich and hospitable Creole culture. Many of the hotels and restaurants serve Creole food as a norm, and this is one of the attractive characteristics of the country: the pride in Creole culture and cuisine. In fact, visitors quickly find that there are no international fast-food chains present in the Seychelles. A recent value chain analysis in the Seychelles found²¹¹ that there are over 60 independent tourist restaurants/ cafeterias, with a total capacity of more than 3,000 covers. Whilst restaurants are open to foreign investment, most are owned and operated by Seychellois.

The Heritage Research Centre has drafted information about the history and culture of each district of the Seychelles, and historical tours of Victoria are available²¹².

Open-air market events are organised by STB in collaboration with SENPA (e.g. the weekly bazaar in Beau Vallon and Victoria; and the monthly bazaar at Roche Copra) are popular, and provide opportunities for local artisans, retailers and caterers to sell local produce (e.g. palm wine) to tourists and residents, and for music and dance²¹³. These markets provide an opportunity for local artisans and caterers to showcase and sell their products to tourists and local residents. However, some report that the success has undermined the quality of the Victoria market, due to alcohol abuse and noise disturbance caused by a minority of local residents.

²¹¹ McKewan and Bennett, 2010

²¹² Spenceley, 2008

²¹³ Spenceley, 2008



Beau Vallon Bazaar



Locally made juices and preserves

2.4.7. *Successes and Constraints*

The Seychelles has developed a highly successful beach-tourism product. It has done this largely by controlling the level of coastal tourism development, and promoting the destination as pristine, and by providing a comprehensive policy framework. According to STB, some issues associated with removing constraints include harmonising policies on sustainable tourism. Previously there have been too many sectoral policies that had a short life span, because there was too little research undertaken before the policy was drafted and approved. There is a need to have clear-cut policies with sufficient preparation, which are implemented consistently. An example is the changes in the accommodation policy²¹⁴.

A wide range of actors are working to promote conservation of the natural environment (particularly NGOs), but fewer are working on maximising linkages between tourism and the local economy. Some notable programs include efforts by SENPA to promote small, medium and micro enterprises (SMMEs) in tourism and open-air markets, STB to devise value-chain interventions in the agricultural and SMME sectors. The prime opportunities for increasing Seychellois economic participation in tourism are through²¹⁵:

- Reducing expatriate employment in tourism
- Increasing salaries/wages in tourism for Seychellois employees;
- Developing local supplies (goods and services) for the tourism industry;
- Developing new products, which can raise Seychellois value added; and
- Increasing Seychellois ownership/ investment in tourism facilities.

The Seychelles has also attracted private sector companies that have driven luxury sustainable tourism initiatives, for example on Bird Island, North Island, Cousine and Mahe, where strong partnerships with conservation NGOs have been formed. However, the government needs to maintain a tough stance where EIAs imply there will be negative impacts of development on the environment. However, the attraction of foreign investors has its drawbacks, particularly in the repatriation of profits and use of expatriate labour.

However, it is perhaps risky to for a country's economy to rely so heavily on the tourism industry. Challenges that the Seychelles currently faces in this regard includes piracy and the global financial crisis. Between 2009 and 2010, Somali pirates have been entering the Seychelles waters and

²¹⁴ Pers. Com Hollanda, 2010

²¹⁵ McKewan and Bennett, 2010

hijacking tourists yachts and commercial boats. The government has been actively working to combat this problem, including by giving long prison terms to convicted pirates²¹⁶, but it has had an impact on tourists' perception of safety sailing between the widely dispersed islands. In addition, the global economic recession has taken its toll on visitation, and the government has responded by developing an 'affordable Seychelles' campaign. The aim is to open the market up to a new demographic of visitors, and to reflect value for money²¹⁷. These responses demonstrate that the Seychelles is very active in addressing any threats to its tourism industry. In a destination that is at the pinnacle of the destination life-cycle, it is this attention to the quality, brand, and reputation of the islands that is of paramount importance when maintaining its competitive edge over other long-haul sun, sea and sand destinations. A dynamic approach will help established destinations to maintain their product and service, and avoid declining standards or reputation.

Other destinations aiming to replicate the success of the Seychelles in terms of beach tourism, would do well to actively conserve the environment with appropriate policies and instruments, actively seek out responsible investors, and to vigorously promote it in relevant markets. Similar destinations would benefit more economically from tourism investment than the Seychelles, if they are able to provide investment locally, rather than relying on foreign investment. Encouraging NGOs and technical assistance agencies to invest in sustainable

Table 19: Some useful weblinks on the Seychelles

Institution	Website
Seychelles Tourism Board (STB)	www.seychelles.com
Small Enterprise Promotion Agency (SENPA)	www.senpa.sc
Seychelles Investment Bureau (SIB)	www.sib.gov.sc
National Bureau of Statistics	www.nsb.gov.sc
COAST program	coast.iwlearn.org
GOS/UNDP/GEF mainstreaming biodiversity program	www.pcusey.sc
Green Island Foundation	http://greenislandsfoundation.blogspot.com
Island Conservation Society	http://www.islandconservationsociety.com/
Nature Seychelles	http://www.natureseychelles.org/

2.4.8. Acknowledgements

The Seychelles case study was made possible by people who provided documents and comments, namely Frauke Fleischer-Dogley (Seychelles Island Foundation), Marc Marengo (The Ecotourism Society of Seychelles), Joseph Rath (Government of Seychelles/United Nations Development Program/Global Environment Facility program coordination unit), Betty Seraphine and Philomena Hollanda (Seychelles Tourism Board). Also thanks to Hannah Messerli and Vincent Palmade (World Bank) who provided valuable comments, and Andrew Rylance (GtZ) who reviewed the paper.

2.4.9. Acronyms

COAST	Collaborative Actions for Sustainable Tourism
EIA	Environmental Impact Assessment
GDP	Gross Domestic Product
MCSS	Marine Conservation Society of Seychelles
NBS	National Bureau of Statistics
NGO	non-governmental organization
RECOMAP	Regional Coastal Management Program of the Indian Ocean Countries
SCR	Seychelles Rupee
SENPA	Small Enterprise Promotion Agency

²¹⁶ BBC, 2010

²¹⁷ Leisure and Business, 2010

SETS 21	Seychelles Ecotourism Strategy
SIB	Seychelles Investment Bureau
SIDS	Small Island Developing States
SIF	Seychelles Island Foundation
SMME	Small, medium and micro enterprises
STA	Seychelles Tourism Academy
STB	Seychelles Tourism Board
TESS	Ecotourism Society of Seychelles
UNDP	United Nations Development Program
UNIDO	United Nations Industrial Development Organisation
WTTC	World Travel and Tourism Council

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2.5. Case study 5: Cultural tourism in Zanzibar

2.5.1. Overview of the concept

Zanzibar provides an interesting case study of a rich cultural destination which is struggling to balance the needs of its residents; the conservation of its heritage; and the economic, social and environmental impacts of rapidly growing tourism. This case study will be useful for other cultural destinations, and particularly Small Island Developing States, that are striving to develop a thriving tourism economy based on their heritage attractions.

Zanzibar is an archipelago made up of the islands of Zanzibar and Pemba, and several islets. It is characterised by beautiful sandy beaches fringing coral reefs, and the rich culture of its people, and the historical Stone Town²¹⁸. Stone Town is a fine example of the Swahili coastal trading towns of East Africa. Designated as a World Heritage Site in 2000, it retains its urban fabric and townscape virtually intact and contains many fine buildings that reflect a culture that has brought together and homogenized disparate elements of the cultures of Africa, the Arab region, India, and Europe over more than a millennium²¹⁹.

Box 15: Key issues in the Zanzibar case study

- Destinations with tourism based on strong cultural heritage face the challenge of how to make culture economically productive, while conserving it, and also dispersing negative impacts on society.
- A range of international and local stakeholders contribute towards cultural tourism on the island, including government, private sector, NGOs and UN agencies, and coordination and collaboration is important.
- Maximizing the local economic impacts of tourism is constrained by limited local ownership of accommodation facilities, the availability of cheap imports, and the availability of training.
- Tourism development needs to be tackled from different perspectives, and general awareness of tourism's potential for poverty reduction needs to be raised.

2.5.2. Motivation of the actor

There are many actors involved in tourism in Zanzibar, with different motivations and priorities, including the following²²⁰:

- The **Revolutionary Government of Zanzibar**, which has developed policies to provide an enabling environment for tourism investment. Particularly relevant to tourism is the Zanzibar Strategy for Growth and Poverty Reduction (MKUZA).
- The **United Nations Educational, Scientific and Cultural Organisation (UNESCO)**, which is collaborating with partners such as the Aga Khan Trust for Culture and the Revolutionary Government of Zanzibar on the rehabilitation of Stone Town (a World Heritage Site) and the Forodhani Park.
- The **Aga Khan Development Network (AKDN)** is a non-governmental organisation (NGO) which has a number of initiatives in Zanzibar. One project is enabling young people to find employment in the tourism industry, while the AKDN is also working with the Serena Hotel Chain to restore a historic telecommunications building.

²¹⁸ Zanzibar.net, undated

²¹⁹ UNESCO, 2010

²²⁰ Various sources including Pers. Coms. Steck, Hasham, Wood, Stokes and Elias, 2010; ACRA, 2008; World Bank, 2010

- A **Tourism Cluster Competitiveness Program (CCP)** which brings together Cardno, the Emerging Markets Group, and Tanzania Private Sector Foundation in a project financed by the World Bank and the British Department for International Development (DFID). This program has four main components: (1) public-private dialogue and public awareness – including a public-private partnership forum, and working with television channels to promote destinations; (2) destination management clusters; (3) association strengthening and (4) tourism information collection and management
- A project of the DFID, The Danish International Development Assistance (DANIDA) and the Swedish International Development Cooperation Agency (SIDA), called the **Business Environment Strengthening for Tanzania - Advocacy Component (BEST-AC)**. This project provides support for membership-based organisations through grants and technical assistance to become competent advocates to government for changes beneficial to the business operating environment (and therefore to improve competitiveness, attract investment, and increase employment).
- **Zanzibar Association of Tourism Investors (ZATI)**, which is an association of tourism businesses that aims to be a force for developing responsible and sustainable tourism in Zanzibar. ZATI provides support for its members and works in partnership with the Government for various activities²²¹. ZATI have contributed towards baseline VCA studies with SNV and VSO, and are also collaborating with the Gatsby Charitable Foundation and Accenture Development Partners to assist local farmers.
- **Zanzibar Employers Association (ZANEMA)**, which has run a series of small, once-off interventions including piloting apprenticeship training in the tourism industry through ZATI. Activities have included: (1) skills building to support private sector associations; (2) public awareness of employment opportunities in the tourism sector; (3) organisation of lectures, workshops and competitions for secondary and college students; (4) exposure visits to hotels and introduction to jobs in the hotels; and (5) developing an internet based platform on ZATI website that links employers with potential employees.
- **Voluntary Services Overseas (VSO)**'s ZEST program (Zanzibar Enterprise and Sustainable Tourism) is a programme working on a market-based approach to livelihood development as a means of poverty alleviation. The ZEST is a pilot project supported by its corporate sponsor Accenture through the 'Making Markets Work for the Poor' initiative. The ZEST programme works in 3 key areas: (1) market linkages to tourism, strengthening existing market activity through added value, product development and accessing higher value markets; (2) employment through tourism, working with training institutes to improve the employability of local Zanzibari work force, and (3) community based tourism models, to improve market access and cultural product development.
- The **Netherlands Development Organisation, SNV**, is an NGO working together with cooperation partner VSO-ZEST, value chain analysis baseline studies of the impact of tourism on the local economy; facilitation of inputs to MKUZA update for the tourism and related sectors inputs including train-the-trainers programs on hospitality, strengthening agriculture linkages; a survey on the Zanzibar souvenir market. In the future they aim to facilitate the development of a Destination Management Organisation.
- **United States Agency for international Development's (USAID) Tanzania Agriculture Productivity Program (TAPP)**, which is linking small-scale farmers to markets (hotels) and processing companies.
- **The Gatsby Charitable Foundation** is a privately endowed trust that has studied the demand for tourism produce across the fish, dairy, livestock, poultry and horticulture sectors, and their market linkages with smallholder farmers. A pilot project has been

²²¹ Bishop, 2010

implemented with ZATI focussing on smallholder farmer organic horticultural produce training through farmer field schools and linking the farmers to the tourism market²²².

- **Associazione Cooperazione Rurale in Africa (ACRA) Changamoto** is an Italian NGO with programs of community based training in tourism and hospitality skills; community enterprises and SME development training; and the establishment of a tourism network association in order to increase community participation and involvement in the development of pro-poor tourism policies, processes and partnerships with the decision makers, the private sector and investors.
- **Jambiani Tourism Training Institute (JTTI)** is an NGO that is training local students on tourism skills which established a local training institute (JTTI) which offers a 2 year diploma in Tourism and Hospitality, and also 12-week certificate courses in tourism. These are offered free of charge for disadvantaged people in Zanzibar. JTTI are in the process of developing a train-the-trainer program in vocational tourism.

Given the multitude of actors, and some areas of overlapping interventions, SNV started to convene a platform for Development Partners in Tourism in 2010. This was done in cooperation with the Tourism CCP as a mechanism for exchanging information on tourism and work on supply chains in Tanzania, including Zanzibar²²³. As the list of actors demonstrates, several institutions are working on tourism supply chains, and even the process of developing this case study revealed disagreements and conflicting reports from different actors. Hopefully this type of multi-stakeholder forum will bring agencies together to collaborate more effectively.

2.5.3. *Relevance to policy*

Zanzibar's Vision 2020 acknowledges the value of the island's culture, including the ancient architecture of Stone Town, handicraft including the Zenj-doors, and a culture of friendliness and hospitality towards visitors. The vision stresses strengthening cultural industries (e.g. museums, theatres, cultural values and community participation). It also promotes using tourism more effectively to generate more income, employment, human resources development foreign exchange earnings, while protecting the environment, Zanzibar's culture and traditions²²⁴.

The Zanzibar Tourism Policy Statement²²⁵, places emphasis on tourism that benefits the local population, protects and conserves the natural environment, maximises local employment, uses local rather than imported goods and services, targets high-value low-volume markets rather than mass tourism, encourages ecotourism and natural tourism, and regulates the rate of expansion to allow the impact of tourism on local people to be absorbed and mitigated²²⁶. In a 2005 interview, the Ministry of Trade, Industry, Marketing and Tourism stated that "*local people must understand and receive benefits, empowerment and ownership from tourism*", and so clearly the intention is for the Zanzibari population to participate and benefit from the tourism industry. However, the government has a series of challenges that it needs to overcome to realize this vision, which will be reviewed within this case study.

The Revolutionary Government of Zanzibar (RGZ) has recently undertaken a review of the Zanzibar Strategy for Growth and Poverty Reduction (MKUZA I) and established an updated strategy at the end of October 2010 (MKUZA II). All of the actions within MKUZA II are geared towards growth within the tourism sector, despite the recognition within MKUZA I that growth alone has not ensured poverty reduction. Challenges highlighted within the MKUZA II include

²²² Pers. Com. Kelly, 2010

²²³ Pers. Com. Steck, 2010

²²⁴ The Revolutionary Government of Zanzibar, 2000

²²⁵ Revolutionary Government of Zanzibar, Ministry of Tourism, Trade and Investment 2004

²²⁶ Coles, 2007

quality issues with regard to products and services and capacity for growth development. MKUZA II recognizes that previously tourism has had only weak linkages with the rest of the economy, and that this has limited the potential multiplier effects in terms of employment and income creation. MKUZA II addresses this issue by strategising on improvement of the quality of the workforce in key growth sectors, including tourism. The policy also includes strategies to increase the share of local agricultural products (such as vegetables) in the tourism market²²⁷. This demonstrates the need to re-visit and revise government policies over time, in order to adapt to changing situations and incorporate lessons that have been learned.

Box 16: Relationship between central and local government in Zanzibar²²⁸

Before the revolution there was a reasonably strong local government system which was abolished and replaced by a single centralised system of appointed counsellors. The locally elected council system was reintroduced in the mid 1990's but in parallel with the centrally appointed (and still more powerful) 'Sheha'.

The elected counsellors are made ineffective by the presence of the 'Sheha' in each village and at district level. In practice, most people go straight to the Sheha for action, as they are more able to make a difference due to their access to the central government that actually are in a position of power and able to take action.

The local government are in theory supposed to mobilise resources, are responsible for planning and for implementing developmental systems and even local infrastructure. In practice, they give the license to bars in tourist hotels, while other tourism licenses are given centrally.

With central government exercising power over the locally elected 'madiwani' the power is very much along those lines. During 2004 / 2005, the reform process was started along with the United Nations Development Program and there are plans for this to be picked up again in the near future, with AKDN very much involved, and VSO having been integral to the process in the past.

2.5.4. Effectiveness and impact

Zanzibar's tourism growth has been substantial since the early 1990s (see Figure 1). In 2007, the service sector saw its share of GDP reach 51% in 2007, followed by contributions from agriculture at 27.3%, and industry at 15.4%²²⁹. The number of tourist beds increased from 1500 in 1995²³⁰ to 9100 beds in 195 hotels in 2009²³¹, and the average room occupancy in 2009 was respectable at 61%²³². However, the 2003 Tourism Plan projects an incredible and unrealistic increase to 250,000 beds by 2020²³³. This demonstrates an incorrect assumption that a capacity to host more visitors translates into greater income for a destination. The proposal to increase the number of beds also assumes that there would be sufficient demand from tourists to fill them; that there is a strong enough business case for the private sector to invest in the additional hotel infrastructure required; and does not consider the environmental and social consequences of such development. A more viable approach is one that focuses on increasing the *yield per tourist* rather than overall volume. For example, a Zanzibar elder was quoted as saying "*The government is not committed to this island. They promise to protect it over and over, but all I see are new hotels every year*"²³⁴.

²²⁷ The Revolutionary Government of Zanzibar, 2010

²²⁸ Pers. Com. Wood, 2010

²²⁹ Zanzibar Economic Bulletin, March 2009

²³⁰ Honey, 2008: pp264

²³¹ Steck et al, 2010. However, this data may be outdated, with other figures estimating the figure at around 300 hotels (Pers. Com. Wood, 2010).

²³² Steck et al, 2010

²³³ Honey, 2008: pp264

²³⁴ Honey, 2008: pp263

A 2009 exit survey²³⁵ found that the majority of people visit the islands for leisure purposes (96%), with just a minority travelling on business (3%) or visiting friends and relatives (1%).²³⁶ Approximately half of the island's visitors in 2009 were package tourists and half were independent visitors²³⁷.

2.5.5. *Innovation and noteworthy issues*

This case study demonstrates that with regards to cultural tourism, a range of diverse actors can contribute towards mitigating negative impacts of tourism on society and heritage. Zanzibar is a melting pot of diverse actors, including government, private sector, donor projects and NGOs working on tourism. Some have been working on the rehabilitation of historical infrastructure; some working on handicrafts; others on cultural events and tours. In addition, a range of NGOs have worked (independently and collaboratively) to enhance linkages of tourism to the local economy.

2.5.6. *Sustainability and success*

a) Economic

On the demand side, tourists interact with travel agents and tour operators (some of which are based within the islands, but mostly outside Zanzibar) to design their travel 'experience'. Transport services are provided by airlines and boat companies. On the supply side, local transport is provided within Zanzibar by transfer providers, either as part of a package or by independent operators, with board and lodging supplied by accommodation providers and related businesses. Consumable products (including food, beverages and works of art and craft) and non-consumable products (such as entertainment, tours and cultural and natural attractions) reach their end markets through a variety of individual supply chains. Many of these are directly dependent upon Zanzibar's natural resources for their production base²³⁸. There are several domestic flights and some international flights between Zanzibar and Italy, Nairobi and Addis Ababa. Most European flights are from Dar es Salaam, on the mainland²³⁹.

Poverty is extensive in Zanzibar where roughly 50% of the population falls below the poverty line and average per capita GDP was only \$415 in 2007.²⁴⁰ However, it is estimated that nearly 10,000 Zanzibari people are employed directly in hotels, another 400 in diving, 900 in restaurants, 35 guides, approximately 5000 in construction, and perhaps 50,000 indirectly through supply chains²⁴¹. However, it should be noted that there are some discrepancies in estimates of local employment from the available studies, with the International Labour Organization estimating it at 30%²⁴², the Ministry of Tourism, Trade and investment estimating it at 45% and the SNV/VSO/ZATI value chain analysis estimating it at 70%²⁴³.

Estimates suggest that \$136 million was generated by tourist expenditure in Zanzibar in 2007, with an average spend per trip by visitors of \$762, or spend per day of \$108²⁴⁴. This is relatively low

²³⁵ Conducted by The Zanzibar Commission on Tourism, SNV, Voluntary Services Overseas (VSO), the Zanzibar Association of Tourism Investors (ZATI) and the Royal Norwegian Embassy

²³⁶ Steck et al, 2010

²³⁷ Steck et al, 2010

²³⁸ Coles, 2007: pp4

²³⁹ Pers. Com. Wood, 2010

²⁴⁰ Lange and Jiddawi, 2008

²⁴¹ Pers. Com. Bishop, 2010; Steck et al, 2010.

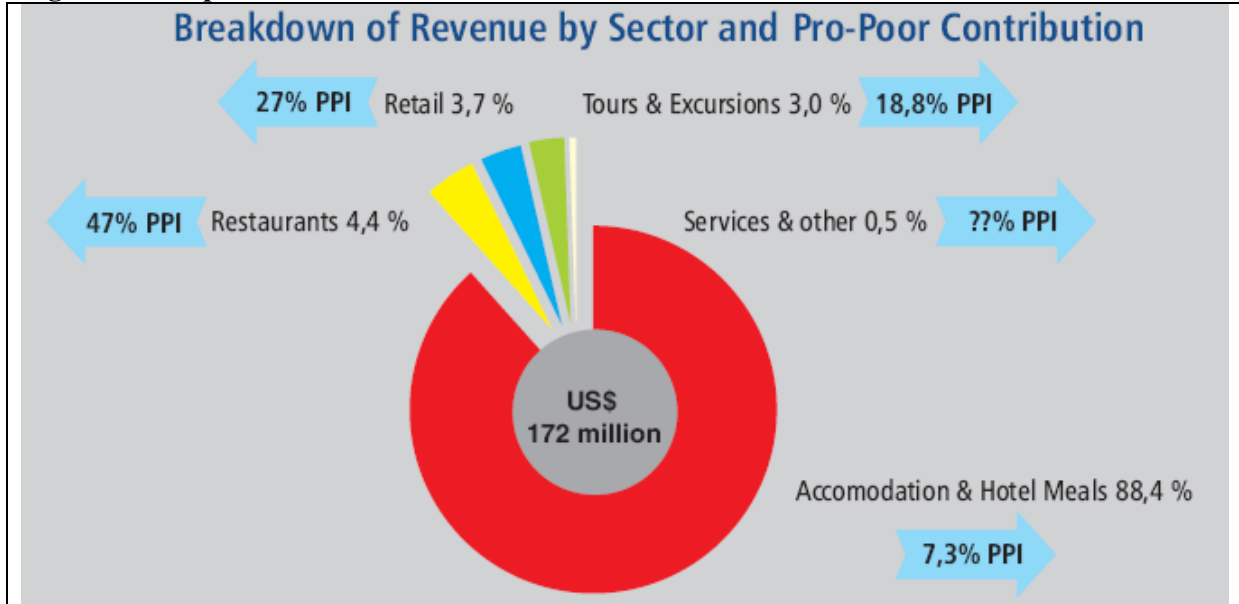
²⁴² Mussa, 2008

²⁴³ Steck et al, 2010

²⁴⁴ Acorn Consulting Partnership Ltd 2007: pp10

when compared to an average spend per day in Mauritius of \$171 and in the Seychelles of \$145. A value-chain analysis conducted by SNV, VSO and ZATI in Zanzibar reveals that of the US\$172 million spent in the destination by tourists per year, the vast majority is spent on accommodation and hotel meals (88.4%), and only 7.3% of this accrues to poorer members of society (see Figure 9)²⁴⁵.

Figure 9: Pro-poor revenue in Zanzibar from tourism²⁴⁶



The financial benefits reaching the poor from hotels, food and beverage, shopping, and tours are estimated at US\$17.5 million per year. This represents just 10% of spending in these sectors on Zanzibar on average, with the best performance demonstrated by restaurants (47% of revenue reaching the poor: US\$3.5 million), and the poorest from the hotel sector²⁴⁷. The low level of benefit demonstrated by the hotel sector is potentially because only a small number of budget hotels are owned by local people²⁴⁸, and also due to high set up costs, high taxes, and other barriers to entry for the poor such as the high costs of establishing new businesses²⁴⁹.

Zanzibari people tend to generate more benefit from budget accommodation (i.e. locally owned) than from luxurious forms of establishment (see Table 20). This is because budget accommodation generally uses more local supplies, and have less highly qualified staff (who are more widely available in the local population)²⁵⁰.

²⁴⁵ Steck et al, 2010a

²⁴⁶ Steck et al, 2010a: pp 7

²⁴⁷ Steck et al, 2010b

²⁴⁸ Serengeti Advisors Ltd (undated)

²⁴⁹ Steck et al, 2010b

²⁵⁰ Pers. Com Steck, 2010

Table 20: Distribution of income from different types of accommodation in Zanzibar (US\$)²⁵¹

Distribution of income	All-inclusive, 'club'	Large-scale, up-market	Small-scale, up-market	Mid-range	Budget	Total
Zanzibari beneficiaries						
Local communities, rural tourism	472	1,301	804	533	12,523	15,633
Local communities, urban tourism	847	1,238	754	1,388	4,044	8,270
Zanzibaris outside local communities*	2,534	3,745	2,614	3,067	3,250	15,211
Zanzibari government	5,567	5,677	1,449	1,171	3,631	17,495
Subtotal, Zanzibaris	9,420	11,961	5,621	6,158	23,448	56,609
Non-Zanzibaris	21,235	31,054	6,313	1,632	2,793	63,028
Total	30,655	43,015	11,934	7,790	26,242	119,636
Zanzibari share of total income						
All Zanzibaris	31%	28%	47%	79%	89%	47%
Local communities	4%	6%	13%	25%	63%	20%

Below is a summary of the different forms of accommodation and their economic and social impacts²⁵²:

- *All-inclusive package tourism*, within large, foreign-owned hotels. They mainly target European tourists with a mid-range budget. There is little interaction with members of local communities, and environmental awareness is not a priority. The average per capita spend is \$123/day.
- *Large-scale, up-market tourism*, using large hotels, that mostly foreign owned, serving mostly high-end travelers, both package and independent. The average per capita spending is \$173/day.
- *Small-scale, up-market tourism*, within small, mostly foreign owned hotels, including a few eco-lodges. They target the high-end tourists who spend the most money (an average per capita spend of \$225/day). They tend to be more environmentally aware and have long-term partnerships with local communities. These enterprises also invest in improving local education, water and health, and other aspects of community life.
- *Mid-range tourism*, incorporating package and independent tourists with a mid-range budget (an average of \$118 spent per day). They are often locally owned, and a great share of benefits go to the local community.
- *Budget tourism*, catering for independent travellers staying in low-cost hotels, which are usually locally owned. Most of their staff comes from local communities, or from the local area. The average per capita spending is \$77/day.

Proportionally, the restaurant sector has a greater impact on poverty reduction than the hotel sector, because many local meals are served using local food products, and therefore have better local linkages with the agriculture sector²⁵³ (see Table 21).

²⁵¹ Lange, 2009, cited in ACRA, 2008

²⁵² Lange, 2009, cited in ACRA, 2008

²⁵³ Steck et al, 2010

Table 21: Pro-poor revenue from tourism in Zanzibar²⁵⁴

Revenue from each sector and the benefit of each to 'the poor'					
	Accom. & Hotel Meals	Restaurants	Retails	Tours & Excursions	Services/ other
Revenue (US\$)	152 million	7,5 million	6,6 million	5,2 million	0,8 million
% Total Revenue	88,4	4,4	3,7	3,0	0,5
% Pro-Poor Benefit	7,3	47	27	18,8	not known
Net Pro-poor benefit	11,2 million	3,6 million	1,7 million	1,0 million	Minimal

An exit survey of 645 visitors in 2009 found that the average expenditure for excursions and handicrafts per tourist was \$58 and \$54 respectively and this money was spent more at Zanzibar-managed enterprises. In 2008, there were 128,440 visitors to Zanzibar altogether, which implies that an estimated \$7,864 was spent on excursions and \$7,352 was spent on handicrafts by Zanzibar tourists that year.²⁵⁵

SNV and VSO-ZEST recently conducted a survey on souvenirs purchased in Zanzibar. This was done to establish baselines and an understanding of the production of marketing of craft on the islands, in order to give support to local small businesses. The survey of 393 tourists found that the majority were purchasing spices (56%), followed by textiles (42%), wood carvings (38%), paintings (28%), clothing (27%) and jewelry (25%)²⁵⁶. Their average spend was \$28 per tourist, and challenges they faced in buying souvenirs included the price (36%) and hassle by vendors (21%)²⁵⁷. This research is relevant to the governments approach to re-branding Zanzibar Tourism with authentic cultural products²⁵⁸. An example of a stylistic value chain based on data obtained painting souvenirs, can be found in Figure 10.

An analysis of linkages between tourism, agricultural and fisheries sub-sectors in Zanzibar and estimated that while most fisheries products (90%), fruits (80%), eggs (75%) and herbs and spices are sourced locally. Large proportions of other commodities are imported, such as 50% of poultry, 80% of vegetables, 90% of other meats, 95% of milk and dairy products, honey and preserves, and 98% of staples. Among the factors identified as barriers to local sourcing were unreliable supply and quality of products, insufficient quantities produced, strong seasonality of production, unsuitable varieties and excessive prices in comparison to bulk supplies from elsewhere²⁵⁹.

²⁵⁴ Steck et al, 2010 : pp10

²⁵⁵ Steck et al, 2010

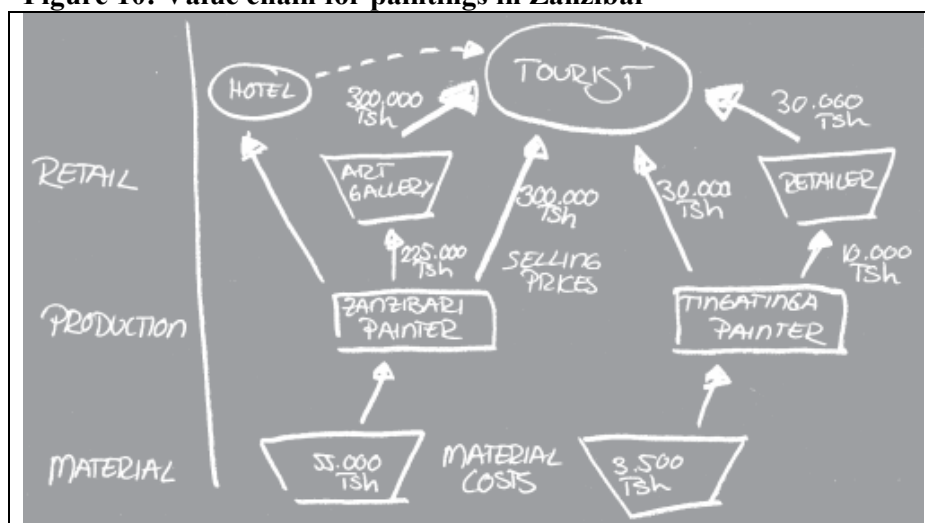
²⁵⁶ Schrempp, 2010

²⁵⁷ Schrempp, 2010

²⁵⁸ Pers. Com. Steck, 2010

²⁵⁹ Ellman, 2002, cited by Coles, 2007

Figure 10: Value chain for paintings in Zanzibar²⁶⁰



Some organisations are attempting to improve local supply-chain linkages, through interventions with farmers and hoteliers. Key constraints to improving the locally produced food to hotels and restaurants include²⁶¹:

- The value chain is long and complex with many actors putting a significant distance between the farmers and hotels;
- Lack of knowledge and large number of farmers, which means they have limited negotiating power;
- Strong network of traders and middlemen, which is difficult for farmers to understand and break into;
- Producers depend on their relationship with traders for their livelihood, making interventions risky;
- Limited enforcement of the official market rule, which means there is a lack of a fair and equitable market principles and guidelines;
- Market information is scarce: farmers are not informed on demand and prices; and
- Marketplaces are not inviting for high-end consumers.

A significant number of Zanzibar's fishers are involved in providing boat excursion services to tourists. In many cases these transactions are mediated by itinerant intermediaries known as 'beach boys', who tend to pass on minimal payments to fishers without revealing the full sum they received from paying consumers²⁶².

Local people also receive financial compensation for the loss of their land to tourism developers, through the value of their coconut trees. This value was between US\$410 to \$1545 per tree in 2002²⁶³, but recently has risen to around 10 million Tanzania Shilling (TSh) (approx US\$6,581)²⁶⁴. This increase was due to greater demand for land from tourism developers, and has been beneficial to local people with the greater returns on their assets.

²⁶⁰ Schrempp, 2010

²⁶¹ Steck et al, 2010

²⁶² Coles, 2007

²⁶³ Honey, 2008

²⁶⁴ Pers. Com. Bishop, 2010

Box 17: Land and infrastructure in Zanzibar²⁶⁵

All land belongs to central government and is allocated centrally by the Ministry of Land by the purchase of 99 year leases. The Ministry gives a land certificate and depending on the size of the land and whether investment is involved, it is handled by the Sheha locally. For farmers this can be a very long process and the actual plot of land might be even an hour walk away from the house of the purchaser (making it very hard to actually use the land).

For foreign investment, investors first go to Zanzibar Investment and Promotional Authority (ZIPA). It acts as a first stop for investors to receive the application and from there they are directed to other organisations. Rather than promoting investment, ZIPA mainly addresses land applications.

Infrastructure investment is mainly donor funded in Zanzibar. Roads are funded largely by the African Development Bank, while ports are state owned and were built with Danish funding. The airport, also state owned and is awaiting further expansion. The runways have been extended and renewed, and further development is due to start in January 2011.

The 2008 Tourism Industry Growth Strategic Plan states that there are no facilities for teaching young people the skills needed to produce and market handicraft items made from wood, straw, cloth, spices, etc. In addition, a large number of unlicensed handicraft vendors operate around Stone Town and along the beaches most popular with tourists. These are often referred to as a nuisance by tourists and spoil their holiday experience²⁶⁶. Proposals to improve the situation include a permanent craft market and/or an annual craft fair specifically for Zanzibari crafts could be developed for artisans, which could become a tourist attraction; hotels could be encouraged to furnish and decorate their establishments with local furniture and art, and a designated area be provided for street and beach vendors²⁶⁷.

b) Environmental

The marine ecosystem around Zanzibar is seriously degraded due to both human and natural causes. These include uncontrolled and unplanned tourism development, rapid population growth, overfishing and destructive fishing practices, overharvesting of mangroves, dumping of untreated wastewater from urban areas and periodic coral bleaching²⁶⁸. In 2007 the inshore fish catch was widely reported to be declining, with increasing numbers of fishermen travelling greater distances for fish, and certain species, such as octopus, anchovies and reef fish under greatly increasing pressure²⁶⁹. Fish prices have doubled in the last five years due to tourism, and this inflation is pricing local people out of the market²⁷⁰.

Fresh water supply is estimated to meet only 51% of the demand (from a rising population, expanding industries and tourism), with open inland waters often being polluted by waste and litter, and the continuing construction of settlements on watersheds²⁷¹.

In the coastal zone, tourism development close to or below the high water mark has been exacerbating beach erosion, with some developments illegally dumping waste and litter. Only half of Zanzibar's estimated 16,000 hectares of mangrove forest is considered to be undamaged²⁷².

²⁶⁵ Pers. Com. Wood, 2010

²⁶⁶ Acorn Consulting Partnership Ltd, 2008

²⁶⁷ Acorn Consulting Partnership Ltd, 2008: pp28-29

²⁶⁸ Lange and Jiddawi, 2008

²⁶⁹ Coles, 2007

²⁷⁰ Pers. Com, Wood, 2010

²⁷¹ Coles, 2007

²⁷² Coles, 2007

Also, a disturbing number of endangered and illegally traded animal products are sold (e.g. coral, shark products)²⁷³. This includes triton shells, which has led to an imbalance in the reef ecology, where the crown of thorns starfish multiplies and destroys reefs (and therefore fish breeding grounds)²⁷⁴.

Environmental legislation is in place under the Environmental Management for Sustainable Development Act 1996. This legislation provides for environmental impact assessment, protected areas and biological diversity, disposal of hazardous waste and the development of both a National Environment Action Plan (NEAP) and Integrated Coastal Zone Management Plan²⁷⁵. However, problems related to environmental degradation in relation to tourism include²⁷⁶:

- Lack of treatment and disposal facilities for both sewage and waste water causing pollution of ground water and lagoon.
- Lack of treatment and disposal facilities for solid waste causing pollution of ground water and lagoon, untidy appearance, pest problems etc.
- Depletion of mineral resources for construction materials;
- The unnecessary removal of trees and vegetation on hotel construction sites
- Pressure on marine resources from leisure activities and competition for fishing to supply hotels.

As early as 2000, it was reported that solid and liquid waste disposal were so inefficient, that they were essentially non-existent. Sewage was disposed of in the sea, and solid-waste had also polluted the beaches. A solid and liquid waste rehabilitation project has begun to improve this problem²⁷⁷. ZATI has recently been collaborating with the NGO Honeyguide to undertake a solid waste management project in Matemwe²⁷⁸, as waste removal is still inefficient. All hotels have to sort and deal with their own waste properly). There are 19 untreated sewerage outlets, while hotels on the beach all have treatment tanks²⁷⁹.

With some new developments, more stringent environmental requirements have been applied. For example, the Blue Bay Beach Resort was developed by Kenyan investors with an IFC loan. The loan was dependent on an environmental review, and required that social and environmental regulations were applied. In 2004, ZIPA gave the hotel a 'Responsible Tourism' award for its wastewater treatment plant, a waste incinerator and beach cleanups²⁸⁰.

c) Social and cultural

Zanzibar consists of a multiracial and multicultural community, and is a society of many faiths and of different origins. Almost the entire population is of mixed races, primarily of Arab and African descent and blended with local culture²⁸¹, and the population is currently around 1.1 million²⁸².

There are a range of cultural attractions and events on the island which showcase the rich Swahili culture, and the historical nature of the island as a slave-trading port. The responsibility for the

²⁷³ Honey, 2008: pp285

²⁷⁴ Pers. Com. Bishop, 2010

²⁷⁵ CHL, 2003

²⁷⁶ CHL, 2003

²⁷⁷ UNESCO, 2000

²⁷⁸ ZATI, 2010

²⁷⁹ Although it has not been confirmed what type these are (e.g. simple gravel filtration tanks or more sophisticated systems). Pers. Com. Bishop, 2010

²⁸⁰ Honey, 2008, pp268

²⁸¹ ZHTI, 2006: pp6

²⁸² Pers com. Wood, 2010; The Revolutionary Government of Zanzibar, 2010

cultural sites is held with the Department of Archives, Museums and Antiquities within the Ministry of Education²⁸³. Cultural attractions include Stone Town, events, museums and cultural tours:

- **Stone Town:** The cultural criteria which have designated Stone Town a World Heritage Site include that it is an outstanding material manifestation of cultural fusion and harmonization. For many centuries there was intense seaborne trading activity between Asia and Africa, and this is illustrated in an exceptional manner by the architecture and urban structure of the Stone Town. Zanzibar has great symbolic importance in the suppression of slavery, since it was one of the main slave-trading ports in East Africa and also the base from which its opponents such as David Livingstone conducted their campaign²⁸⁴.
- In Stone Town's Forodhanai Gardens, a series of food stalls provide local delicacies to visitors each evening²⁸⁵.
- The Agha Khan Trust for Culture and the government collaborated to upgrade the Forodhanai Gardens and areas of Stone Town. The renovation was successful, and now tourists and locals alike enjoy the foodstalls each evening²⁸⁶. The program included restoring walkways, infrastructure and landscape of the park, upgrading civic amenities, and stimulating economic activities with improvements for vendors. It was estimated that the renovation would lead to 200 jobs during construction, and injecting US\$2.2 million in reconstruction costs to the local economy²⁸⁷ (see Figure 11).
- Unique buildings of cultural value remain without proper maintenance, and the increasing use of drugs among the youths in Stone Town and at the beaches has become a security threat to all people (including tourists)²⁸⁸.

Figure 11: Landscaping plan for the renovation of Forodhanai Gardens²⁸⁹



- **Events:** Zanzibar boasts a number of festivals which attract visitors to the island. The annual Sauti za Busara music festival is an excellent example of an event designed to develop, in both locals and visitors, an appreciation of the richness and diversity of music

²⁸³ CHL, 2003

²⁸⁴ UNESCO, 2000

²⁸⁵ UNESCO, 2000

²⁸⁶ Pers. Com. Bishop 2010

²⁸⁷ Aga Khan, 2008

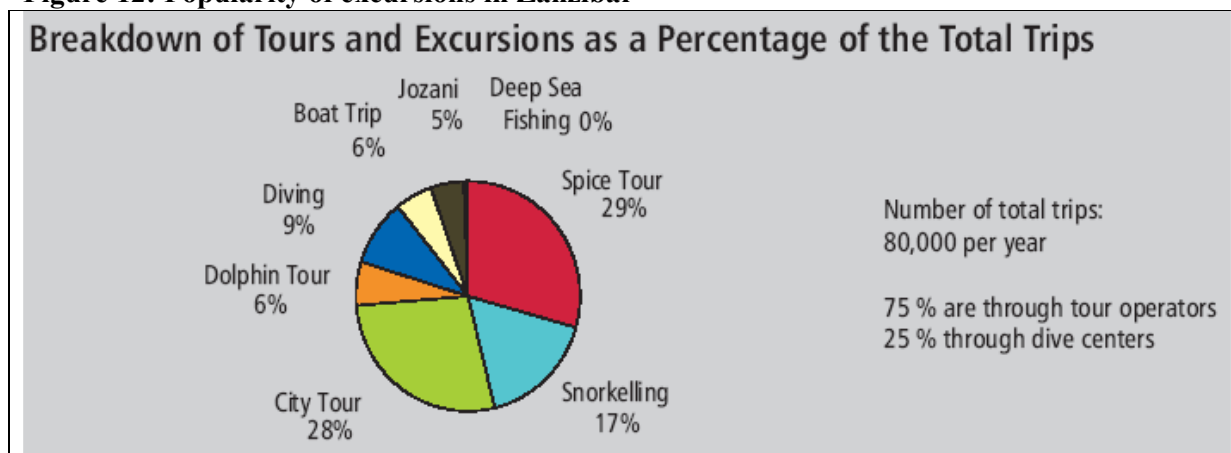
²⁸⁸ Steck et al, 2010

²⁸⁹ Aga Khan, 2008

from the region²⁹⁰. It is a Swahili festival that is organised to showcase theatre, music and dance²⁹¹. Similarly, the Zanzibar International Film Festival (ZIFF) in July celebrates and showcases arts and talents from Zanzibar and the surrounding region²⁹². The ZIFF draws thousands of visitors from around the world each year. It also has a project that focuses on a range of initiatives including rain water harvesting and handicraft production by female entrepreneurs²⁹³. In 2009 ZIFF had a fringe event on sustainable tourism, which aimed to identify needs, encourage cooperation between actors, and to highlight the creativity of Zanzibaris in growing cultural tourism²⁹⁴.

- **Museums:** There are two key museums on the island. Firstly, the Peace Memorial Museum, which has sections on archaeology, early trade, slavery, palaces, mosques, sultans, explorers (includes Dr Livingstone's medical chest), missionaries, colonial administrators, traditional crafts and household items, stamps, coins, fishing, and clove cultivation. Secondly, the House of Wonders, which has permanent exhibits on aspects of the Swahili and Zanzibari culture as well as the East African environment. This museum was reopened on 2 July 2005 at the conclusion of an international cooperative project for the protection and maintenance of cultural heritage. The project did not opt to use resources and people from the West but continued the work already done by the museum staff. Training courses were provided by the Programme for Museum Development in Africa in Kenya, with museum experts from Botswana, Kenya and Zambia, and with technical advice from the Koninklijk Instituut voor de Tropen²⁹⁵.
- **Tours:** Resourceful local entrepreneurs have developed cultural village tours, combined with nature-based tourism. For example, Eco+Culture organizes tours to spice plantations and villages around the island, and the proceeds help support local development projects in education, agro-forestry and seaweed farming²⁹⁶. Cultural tours (the city tour, spice tour) represent 57% of all excursions on the island, and represent 45,600 trips (see Figure 12).

Figure 12: Popularity of excursions in Zanzibar²⁹⁷



However, the tourism retail industry is dominated by foreign imports of craft and soft furnishings, rather than local craft. Retail small and medium and micro enterprises (SMMEs) provide a low

²⁹⁰ ZATI, 2006

²⁹¹ Honey, 2008

²⁹² ZATI, 2006

²⁹³ Pers. Com. Wood, 2010

²⁹⁴ ZATI, 2010

²⁹⁵ TPOC, 2005

²⁹⁶ Honey, 2008, pp 284

²⁹⁷ Steck et al, 2010. Jozani is a forest on Zanzibar.

entry point for people from a poor background, although with the exception of Zanzibari wood crafts, the dominance of Maasai stock reflects the business ownership, mostly being mainland Tanzania residents²⁹⁸.

Reports indicate that some of the impacts of tourism on local culture and society have been negative. In a 2002 report by the Ford Foundation stated that there was a widespread perception that tourism was having a negative impact on communities. The report noted that teenage students were dropping out of school, that Zanzibar hospitality was disappearing, and that there was increasing imitation of inappropriate Western dress and behaviour²⁹⁹. Increases in alcohol and drug use, prostitution and theft have also been noted³⁰⁰. However, it is likely that increased wealth and television has also played a major role in cultural and social change³⁰¹, and not all of the negative impacts can be attributed to tourism. .

On a more positive note, some foreign-owned luxury hotels in Zanzibar continuing to encourage culturally and environmentally sensitive behaviour. For example, the Zanzibar Serena Inn, Tembo House Hotel, and Emerson + Green all provide guests with written information about culturally appropriate dress to show respect for the Muslim society³⁰². All hotels support ZIFF and other festivals, particularly Sauti Za Busara, while nearly all hotels offer live, local music³⁰³. ZATI report that most hotels have projects in conservation, culture and community, while many have constructed schools and clinics, and are renovating some of the architectural heritage³⁰⁴.

2.5.7. Successes and Constraints

From a visitor satisfaction perspective, the tourism experience is generally meeting visitor requirements. In general, tourists surveyed by SNV, VSO and ZATI in 2009 found the holiday experience on Zanzibar exceeded their expectations (53.4%) or to be satisfactory (42.3%). Only 4% were not satisfied with their trip³⁰⁵. However, Zanzibar has very few repeat visitors.

Three of the key lessons learned in Zanzibar relating to cultural tourism include³⁰⁶:

1. Tourism development needs to be tackled from different perspectives, and general awareness of tourism's potential for poverty reduction needs to be raised.
2. Complementary processes with a range of stakeholders are useful, as Zanzibar sometimes lacks coordination with so many development actors.
3. It is important to compile baseline information (including using existing studies), validate and involve stakeholders before interventions take place

Based on their research and interventions in Zanzibar, SNV suggests a number of potential reasons suggested as why the local benefits from tourism are generally so low in Zanzibar³⁰⁷:

- **The business environment does not favour small businesses.** SMMEs and small restaurants operating independent of hotels are not able to achieve economies of scale due to high, complex tax structures and the formalisation of informal sectors is not viable. This

²⁹⁸ Steck et al, 2010

²⁹⁹ Ford Foundation, 2002

³⁰⁰ Honey, 2008

³⁰¹ Pers. Com. Bishop; Steck; 2010

³⁰² Honey, 2008

³⁰³ Pers. Com. Bishop, 2010

³⁰⁴ Pers. Com. Bishop, 2010

³⁰⁵ Steck et al, 2010

³⁰⁶ Pers. Com. Steck, 2010

³⁰⁷ Steck et al, 2010

causes a significant barrier to entry for ‘the poor’ with the informal sector in particular finding it difficult to transform into formally registered companies.

- **Inability of suppliers of local goods to meet the quality required for the general operation of tourism sector businesses:** This includes handicrafts, clothes and soft furnishings. Most products come from the mainland or are imported from India, Kenya, and South Africa among others, as they are cheaper; there is a lack of awareness by tourists about Zanzibar culture; local items are heavy and difficult to export (e.g. wood carvings), and there is low product diversification in local craft.
- **Zanzibaris have very limited access to employment in the tourism sector due to limited training facilities.** The existing institutions do not meet the demand of trainees. The Zanzibar Institute for Tourism and Development (ZITOD) currently offers basic training in tourism skills which does not meet the sector’s requirements. The Jambiani Tourism Institute offers high quality training but to low volumes of students. The additional issue of low school attendance and low levels of basic skills such as English language and mathematics is also a concern for the ‘trainability’ of students from Zanzibar. The industry will inevitably give preference to potential employees with these basic skills. The limited employment is also due to factors such as, limited education, knowledge of languages (especially English), and inexperience in the labour market.

These limitations provide options for interventions to improve the situation. A major policy shift will be required to address the extent of the problems, and to encourage more opportunities for local people to benefit from the industry, and methods to reduce the impacts of tourist arrivals³⁰⁸.

Some observers consider that the overall growth of the tourism industry will not give a significant reduction in poverty, because imports of staff and supplies are already excessively high³⁰⁹. There is a strong argument for developing cultural tourism, both to enhance the destination image and to increase pro-poor income through the sectors of cultural tours and cultural products (both of which are currently small sectors with high pro-poor income contribution). The hotel industry should be geared towards high end development, but this will be difficult to achieve with local investment and ownership. The all inclusive model is not conducive to poverty reduction in Zanzibar. Therefore to complement the high end hotel sector, a diversification of locally owned, high quality budget hotels and SMMEs should be encouraged, adding to a ‘local feel’ within the industry. The impediments to small businesses set up and operation should be alleviated, to encourage both the creation of entrepreneurship and to facilitate the incorporation of the informal sector into the establishment, including simplify the tax structures and business registration process. For sector linkages to tourism, emphasis should be placed on putting in place solid supply mechanisms and waste reduction strategies before further increasing production. Employment opportunities for Zanzibari nationals are hindered by a shortage of high quality trainers on the islands, resulting in a pressure on existing trainers to meet the needs of the private sector and training institutes. Basic education skills are also in demand as a pre-requisite to training, including English and math. Technical training is also needed for local artisans in diversifying their craft products to suit the demand, coupled with a ‘buy Zanzibar’ campaign; and to enhance basic hospitality training.

In conclusion, Zanzibar is a melting pot of culture, development initiatives, and tourism has brought an array of positive and negative impacts of tourism on the destination. Other destinations with rich cultures would do well to consider how they can maximize the economic opportunities presented by tourism, and to balance this with the social and environmental context.

³⁰⁸ Pers. Com. Bishop, 2010

³⁰⁹ Wood, 2010

Table 22: Some useful weblinks on Zanzibar

Institution	Website
Zanzibar.net	www.zanzibar.net
SNV - Tanzania	http://www.snvworld.org/en/countries/tanzania/Pages/default.aspx
Zanzibar Association of Tourism Investors	www.zati.org
UNESCO information on Stone Town as a World Heritage Site	http://whc.unesco.org/en/list/173/

2.5.8. Acknowledgements

From Zanzibar, I would like to thank many people who provided supporting documents, and also comments on the draft paper, including Birgit Steck (SNV), Julia Bishop (Zanzibar Association of Tourism Investors), Altaaf Hasham (AKDN), Kenneth Wood (VSO-ZEST), Patricia Elias (JTTI), Jane Kelly (Gatsby Charitable Foundation), Luca Todeschini (ACRA) and Carmine Paolo De Salvo (Overseas Development Institute/Ministry of Finance and Economic Affairs), and Justin Stokes (TCCP). Also thanks to Hannah Messerli and Vincent Palmade (World Bank) who provided valuable comments, and Andrew Rylance (GtZ) who reviewed the paper.

2.5.9. Acronyms

ACRA	Associazione Cooperazione Rurale in Africa
AKDN	Aga Khan Development Network
BEST-AC	Business Environment Strengthening for Tanzania - Advocacy Component
CPP	Tourism Cluster Competitiveness Program
DANIDA	Danish International Development Assistance
DFID	British Department for International Development
JTTI	Jambiani Tourism Training Institute
MKUZA	Zanzibar Strategy for Growth and Poverty Reduction
NEAP	National Environment Action Plan
NGO	non-governmental organisation
RGZ	Revolutionary Government of Zanzibar
SIDA	Swedish International Development Cooperation Agency
SMME	Small and medium and micro enterprises
SNV	Netherlands Development Organisation
TSh	Tanzania Shilling
UNESCO	United Nations Educational, Scientific and Cultural Organisation
USAID-TAPP	United States Agency for international Development - Tanzania Agriculture Productivity Program
VCA	Value chain analysis
VSO-ZEST	Voluntary Services Overseas - Zanzibar Enterprise and Sustainable Tourism
ZANEMA	Zanzibar Employers Association
ZATI	Zanzibar Association of Tourism Investors
ZIFF	Zanzibar International Film Festival
ZIPA	Zanzibar Investment and Promotional Authority
ZITOD	Zanzibar Institute for Tourism and Development

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2.6. Case study 6: Cultural tourism in the Pays Dogon, Mali

2.6.1. Overview of the concept

This case study concentrates on the development of the Pays Dogon, and illustrates why this destination has succeeded over other areas in the country. Tourist numbers to the Pays Dogon have increased and tour operators are keen to promote the area³¹⁰. The case study will be useful for destinations with rich cultural heritage, and particularly those based in arid regions, where tourism has grown organically over time, and with limited investment in infrastructure.

Mali is the jewel in West Africa's crown, a destination that has all the right ingredients. The country occupies the heart of a territory that once supported Africa's greatest empires and is rich with historical resonance. Lonely Planet states that if you can visit one place in Mali, go to the Dogon Country (Pays Dogon), because it is utterly unforgettable. The country is rich with fascinating ceremonies, world-famous musical traditions, and traditional cultures that are accessible to travellers³¹¹.

Box 18: Key issues in the Pays Dogon case study

- The collaboration of agencies in destinations can be effective in providing synergistic financial, technical and local support.
- The presence of high quality cultural assets is not enough to grow a sustainable tourism industry by itself: product and service development, human resource development, marketing and promotion, and market linkages are also vital.

Mali boasts four World Heritage Sites (WHS): The Cliff of Bandiagara in the Land of the Dogons, is also WHS for cultural and natural reasons³¹², and the Old Towns of Djenne, Timbuktu and the Tomb of Askia as cultural sites³¹³ (see Box 19). There are also another nine cultural sites that have applied for WHS status, and which may provide future opportunities for tourism³¹⁴.

Box 19: Cultural World Heritage Sites in Mali³¹⁵

Cliff of Bandiagara: The Bandiagara site is an outstanding landscape of cliffs and sandy plateaux with some beautiful architecture (houses, granaries, altars, sanctuaries and *Togu Na*, or communal meeting-places). Several age-old social traditions live on in the region (masks, feasts, rituals, and ceremonies involving ancestor worship). The geological, archaeological and ethnological interest, together with the landscape, make the Bandiagara plateau one of West Africa's most impressive sites.

The Old Towns of Djenne: Inhabited since 250 B.C., Djenné became a market centre and an important link in the trans-Saharan gold trade. In the 15th and 16th centuries, it was one of the centres for the propagation of Islam. Its traditional houses, of which nearly 2,000 have survived, are built on hillocks (*toquere*) as protection from the seasonal floods.

Timbuktu: Home of the prestigious Koranic Sankore University and other *madrasas*, Timbuktu was an intellectual and spiritual capital and a centre for the propagation of Islam throughout Africa in the 15th and 16th centuries. Its three great mosques, Djingareyber, Sankore and Sidi Yahia, recall Timbuktu's golden age. Although continuously restored, these monuments are today under threat from desertification.

³¹⁰ Pers. Com. Messerli, 2010

³¹¹ Lonely Planet, 2009

³¹² Which is similar for only 25 of the world's 800 World Heritage sites (Adelson, 2008)

³¹³ UNESCO, 2010a

³¹⁴ Richardson, 2010

³¹⁵ UNESCO, 2010b,c, d, e

Tomb of Askia: The dramatic 17-m pyramidal structure of the Tomb of Askia was built by Askia Mohamed, the Emperor of Songhai, in 1495 in his capital Gao. It bears testimony to the power and riches of the empire that flourished in the 15th and 16th centuries through its control of the trans-Saharan trade, notably in salt and gold. It is also a fine example of the monumental mud-building traditions of the West African Sahel. The complex, including the pyramidal tomb, two flat-roofed mosque buildings, the mosque cemetery and the open-air assembly ground, was built when Gao became the capital of the Songhai Empire and after Askia Mohamed had returned from Mecca and made Islam the official religion of the empire.

A trek through Dogon Country is one of the top cultural experiences in the country, including a stop at Tirelli, known as the “village of the masks”³¹⁶. The area covers 4000 km² and is home to approximately 350,000 people living in 289 villages³¹⁷. The Bandiagara plateau in Dogon Country is one of West Africa’s most impressive geological features and is also a World Heritage Site. Dogon country is comprised of a series of traditional villages surrounding the Bandiagara escarpment. It has magnificent landscapes, beautiful dances and mask festivals, exotic mosques, and villages carved in pink sandstone on the cliff side³¹⁸. Some of the distinctive elements of Dogon cultural heritage are cosmogony and divination, masked dances, agricultural festivals and rituals and *sigi*, a festival that takes place every 60 years³¹⁹.



*Images of Mali*³²⁰

³¹⁶ USAID/GSTA, 2008; USAID/GSTA Tourisme Durable en Pays Dogon / OMATHO, undated ; Richardson, 2010

³¹⁷ USAID/GSTA/PD, 2008

³¹⁸ USAID/GSTA, 2008; GSTA Tourisme Durable en Pays Dogon / OMATHO, undated ; Richardson, 2010

³¹⁹ Adelson, 2008

³²⁰ Ministere de la culture du Mali, 2006

2.6.2. Motivation of the actor

A number of actors are involved in promoting cultural tourism in Mali. These include³²¹:

- **The United States Agency for International Development's Global Sustainable Tourism Alliance – Pays Dogon program (USAID/GSTA)**, which commenced a US\$2 million five-year project in 2008. The organization is an alliance of 15 non-profit and for-profit organizations with significant experience in sustainable tourism, with funding from USAID and members. In Mali activities focus on providing income-earning opportunities with fairly distributed benefits to all stakeholders while respecting and protecting the natural resources in the local communities. Their tasks include: strengthening linkages between tourism and natural resource management; fostering business development and investment, strengthening linkages and local capacity; improving the enabling conditions for sustainable tourism; implementing tourism-mechanisms for tourism and conservation financing, through philanthropy; and increasing visitor and local awareness in cultural sensitivities, while reducing impacts
- **United Nations World Tourism Organisation (UNWTO) Sustainable Tourism Eliminating Poverty (STEP)**, which is expanding ecotourism activities: guide training in Djenne, Sangha and Siba; providing health protection for female artisans in Djenne; and strengthening the capacities of tourism stakeholders at Douentza and d'Hombori within the framework of ecotourism development and promotion of the elephants of Gourma. STEP is also partnership with the Italian non-governmental organisation (NGO) Children's International Summer Villages (CISV) to set up a network of sustainable tourism stakeholders and associations, named Jigiyasira. Another initiative that is just starting in partner with the World Bank is on the development of ecotourism around elephants in Gourma.
- **SNV, The Netherlands Development Agency**, which is working on value chain analysis and destination management. SNV uses coaching and capacity building to support local stakeholders in the development of tourism to (1) strengthen ties between the tourism stakeholders and local producers; (2) improve the range of tourist products and services as well as marketing to increase profit, and (3) strengthen the capacities of the local authorities (towns and ring-areas) to incorporate activities and actors of the tourist sector into the process of local business management.
- **German Development Service (DED)**, which is working on ecotourism in Dogon Country, and supporting the Cultural Mission of Bandiagara with financial and technical resources. The collaborative projects aim to establish tourism infrastructure with local materials and in a traditional manner (e.g. museums and lodges); promotion of traditional festivals, hiking trails and museums; and sensitisation of local people.
- **The Cultural Mission of Bandiagara (MCB)** aims to preserve and conserve cultural heritage; promote, inform, sensitise and educate the public, and improve the lives of people (particularly in small villages).
- **Syndicat d'Initiative et de Tourisme de Bandiagara** – which is a private sector association supported by the USAID/GSTA, that operates a tourism information centre, and poised to coordinate tourism activities in the region.
- **l'Office Malien du Tourisme et de l'Hôtellerie (OMATHO)** – is the government office responsible for marketing and promotion of tourism, and for directing tourism development and business support. OMATHO is providing training for guides, in collaboration with USAID/GSTA.

³²¹ Sources including www.unwtostep.org; www.gstalliance.net/index.php?option=com_content&task=view&id=86&Itemid=115, and Pers. Coms. Kefferstein, Frei-Oldenburg, and Gravel, 2010, Daniel Arbour & Associates, 2009

2.6.3. *Relevance to policy*

The 2009 Tourism Development Strategy for Mali recognises that tourism in the country is concentrated in the Pays Dogon. The strategy for development recognises the need to improve the equity of social and economic impacts of tourism, so that the poorest members of society benefit. Cognisant that tourism should be a complementary livelihood strategy, the document notes that it should be an add-on to livestock, agriculture and migrant trade income. The strategy identifies participation and consultation of local communities takes precedence in approaches to develop tourism policies and plans, and that they require greater capacity to understand the impacts of tourism. It notes that accommodation is limited in each village, and that grading standards need to be revised. In addition, it prioritises the improvement of the quality of guides, and improvement of road infrastructure in the area. The impacts of tourism on culture are also highlighted, and the strategy appreciates that particularly for marginalised and poor communities, culture can be adversely impacted by tourism³²².

The 5-year plan for the development of the Mopti tourism region (2009-13) highlights that development of tourism in the region must take into account principles such as³²³:

- Conservation of the environment and cultural heritage that tourism is based on;
- Socio-economic returns from tourism;
- Social equity and the equitable sharing of economic and financial impacts of tourism (especially taking into account the interests of communities); and
- Improving and diversifying the tourism product.

The plan recognises that the cultural resources underpin the ability of tourism to generate revenue for the region, and therefore they must be conserved.

2.6.4. *Effectiveness and impact*

The World Travel and Tourism Council (WTTC) estimates that international visitor arrivals to Mali more than doubled between 1997 and 2007, reaching approximately 200,000. They estimate that the contribution of the travel and tourism economy to the Gross Domestic Product (GDP) will increase from 4.9% (US\$523 million) in 2010 to 6.1% (US\$1,090 million) in 2020. They also estimate that employment will increase from 80,000 (1 in every 25.6 jobs) in 2010 to 129,000 jobs (1 in every 20.8 jobs) by 2020³²⁴.

In the accommodation sector of Pays Dogon, the 4 hotels and 57 registered campements employ 56 and 154 people respectively. Campements have basic facilities, and characterised by a walled courtyard enclosing a building with 6-8 guest rooms, shared toilet facilities, a cooking area and a roofed terrace³²⁵. The majority of the 210 employees are men (70%). On average the hotels employ 14 staff, with a 0.7 employee/room ratio, while campements employ an average of 2.7 staff, at an employee/room ratio of 0.4³²⁶. Therefore the staff numbers and ratios are relatively low for the tourism sector. Perhaps because tourism interventions have only been operating for the past 2-3 years, data is not yet available to demonstrate whether interventions in the region have already realized improvements in employment or private sector growth. However it is clear that they are setting the groundwork for sustainable tourism growth.

³²² Daniel Arbour & Associates, 2009

³²³ Bâ, et al, 2008

³²⁴ WTTC, 2010, cited by Richardson, 2010

³²⁵ Adelson, 2008

³²⁶ OMATHO, 2008a cited in Adelson, 2008

2.6.5. Innovation and noteworthy issues

Over the past few years, West African countries have begun to shift from focusing on a dependence on agrarian livelihoods and mining, towards industries like technology and tourism. Mali illustrates this type of shift, and has experienced an influx of international organisations focussed on tourism development³²⁷. These agencies have been collaborating and establishing partnerships in order to maximise their impacts on the ground³²⁸. Tourism is perceived as a mechanism to reduce poverty and to aid the economic and social growth of countries³²⁹.

The Pays Dogon is noteworthy because focus by agencies on this cultural destination has led to a growth in tourism and linkages with food security³³⁰. This includes mapping food security plans in combination with tourism (see Table 23). An estimated 90% of residents in Mali work in agriculture, and most are subsistence farmers.³³¹

Table 23: Rural communes with tourism assets in Mali³³²

Category	Count	% of rural communes
# communes with undeveloped tourism assets	70	10.2%
# communes where tourism exists	33	4.8%
Total # communes with tourism assets	103	15.0%
3 communes where tourism is part of the food security plan	13	1.9%

2.6.6. Sustainability

a) Economic

A study undertaken in 2006 found that the "tourist areas" of Mali (i.e. Mopti, Segou, Timbuktu) experienced reductions in the level of poverty over 10 years, while the non-tourist areas have experienced an increase in the same period.³³³ This provides considerable incentive to develop tourism in suitable destinations across the country.

Tourism in Pays Dogon represents over a third of international arrivals in Mali³³⁴, with approximately 63,000 visitors in 2007³³⁵. Given the low level of industrialization of the economy in the Mopti region (i.e. the administrative region of Dogon Country), tourism is a major source of income for people, in addition to livestock, fish and agriculture. In 2009, tourism has increased in the Mopti region while most destinations suffered a decline due to the global financial crisis.³³⁶

A value chain analysis by SNV estimated that the economic impact of tourism in Pays Dogon in 2009 was over US\$2 million, with the majority of this money being spent on restaurants (38.4%) followed by accommodation (29.6%)³³⁷ (see Figure 13). This is unusual for a destination, because usually tourist expenditure on accommodation by far exceeds food and beverages.

³²⁷ Solimar International, undated

³²⁸ Solimar International, Undated

³²⁹ Solimar International, undated

³³⁰ SNV, 2010

³³¹ Adelson, 2008

³³² Richardson, 2010

³³³ SNV, 2010

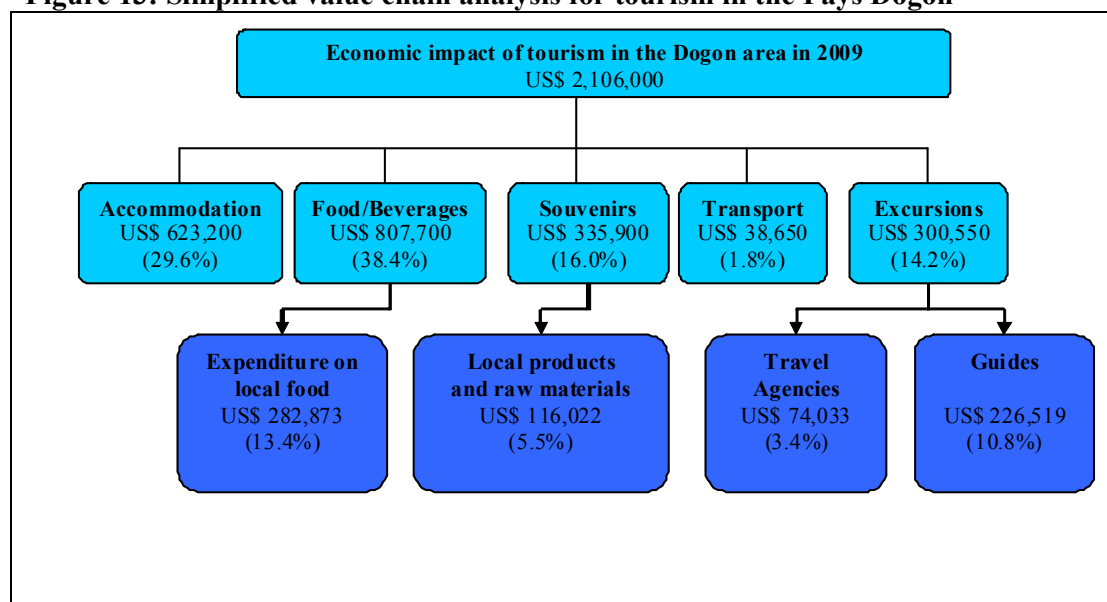
³³⁴ USAID, 2009

³³⁵ Adelson, 2008

³³⁶ SNV, 2010

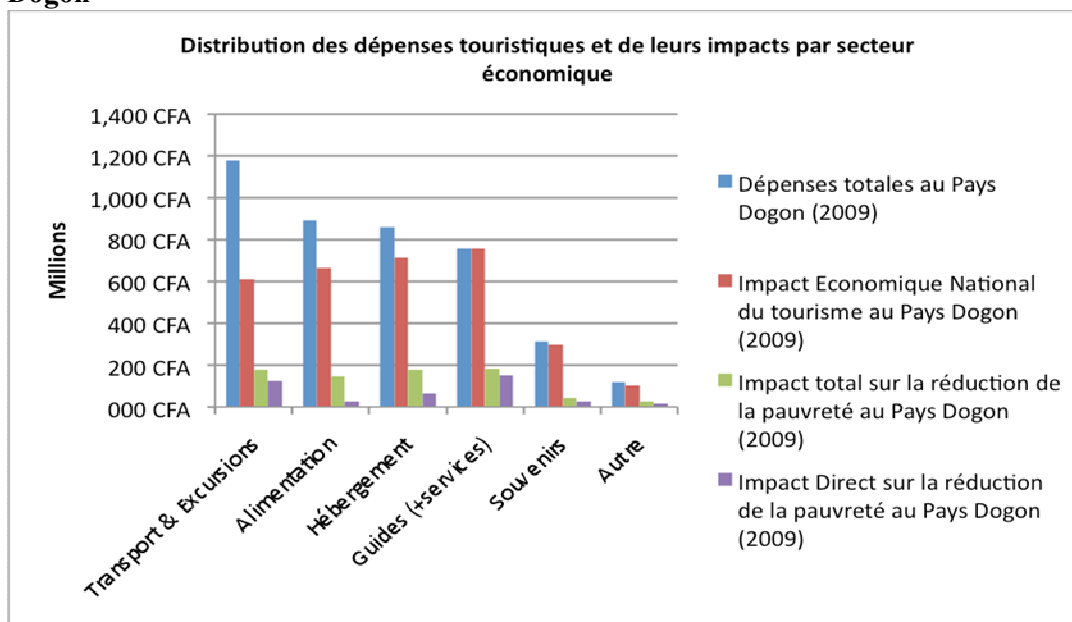
³³⁷ SNV, 2010

Figure 13: Simplified value chain analysis for tourism in the Pays Dogon³³⁸



It is estimated that 18.6% of this income reaches the poor, and with more than 10 000 people supported above the poverty line³³⁹ (see Figure 14).

Figure 14: Distribution of tourism spend by sector, and the impact on poverty in Pays Dogon³⁴⁰



Typically tourists visit Pays Dogon in groups of 12 or less, for a 3-4 day trek from village to village along the escarpment, and sleep each night at village campements³⁴¹. There are 57 registered campements, with 398 rooms collectively. These charge an average of CFA2430 (€3.70) per night, and the average stay is 1.25 nights³⁴². There are also 4 basic hotels in Bandiagara with a total of 80

³³⁸ SNV, 2010

³³⁹ SNV, 2010

³⁴⁰ SNV, 2010

³⁴¹ Adelson, 2008

³⁴² OMATHO (2008a) and Solimar surveys, cited in Adelson, 2008

rooms, and charging an average of CFA18,250 (€27.82) per night. There is a high season from November until March and a ‘mini’ season from July until August.³⁴³ Pays Dogon also has a couple of developments with better facilities with prices from CFA300,000-45,000 (€45.73-68.60) per night, but no luxury accommodation facilities. On average package tourists to Mali spend €2215 per trip on travel, while independent travellers spend €970. Their in-country expenditure averages around €1540 per person³⁴⁴, or €385 per day, based on a 4 day trek.

A series of initiatives have been implemented to enhance the economic impact of tourism in the Dogon. These include:

- **Visitor information centre:** A centre was opened in Bandiagara in February 2010, as an initiative funded by USAID/GSTA on behalf of the *Syndicat d’Initiative et de Tourisme de Bandiagara*, a local association supported and created by the Malian Ministry of Tourism. The association is comprised of the heads of the Bandiagara tour guides’ associations, hotel-owners’ associations, transporter’s association, handicraft-makers’ association, traditional healers, the Mission Culturelle de Bandiagara, and the Bandiagara Mayor’s Office³⁴⁵. The aim of the centre is to help tourists get information about local attractions and service providers, and it is located prominently on the route to Sangah, which is a principal tourist attraction³⁴⁶. It also contains information on the wildlife and biodiversity of Pays Dogon³⁴⁷. The centre proposes to be financed through the sales of local arts and crafts, local food and drink, and postcards³⁴⁸.
- **Nature and cultural trails:** As a partner of USAID, Solimar International has been helping to develop a ‘Dogon Country Nature and Culture Trail. Through a series of village workshops in the most highly visited villages in Dogon Country, they are seeking to strengthen the general tourism circuit. The trail aims to increase awareness and support for one cohesive product, using economies of scale that are easier for tourist markets to reach, and to increase the length of stay³⁴⁹.
- **Small grants:** USAID/GSTA will be providing ecotourism business development grants and technical assistance in order to stimulate development and the diversification of tourism that improves biodiversity conservation and food security³⁵⁰.
- **Inventory of attractions:** An inventory of natural and cultural tourism attractions has also been developed, which identifies tourism micro enterprises and markets³⁵¹.
- **Guide identification and training:** USAID/GSTA has identified 172 guides in Bandiagara, of whom 34 are approved by OMATHO. They are in the process of compiling similar information for artisans in the region³⁵².

b) Environmental

Natural resources such as wood and water are scarce and/or endangered³⁵³. Many of the artisans who work in the village of Ende create wooden sculptures. The USAID/GSTA has been working with artisans to raise awareness of management of natural resources, and in particular the re-planting of tree species used for carving. This approach aims to encourage both environmental and

³⁴³ OMATHO (2008a) and Solimar surveys, cited in Adelson, 2008

³⁴⁴ SNV, 2010

³⁴⁵ USAID/GSTA, 2010

³⁴⁶ AED, 2010a; USAID/GSTA, 2010

³⁴⁷ Note that the World Bank will be supporting the Syndicat’s activities.

³⁴⁸ AED, 2010a

³⁴⁹ Solimar International, Undated

³⁵⁰ Solimar International, Undated

³⁵¹ AED, 2010b

³⁵² AED, 2010a

³⁵³ Adelson, 2008

financial sustainability³⁵⁴. USAID/GSTA has engaged with communities in Dogon Country to collect and plant euphorbia cuttings to stabilize the sand dunes and reduce wind erosion. They have also developed small tree nurseries which sell tree seedlings to communities³⁵⁵.

c) Social and cultural

Residents in Pays Dogon have a generally positive perception of tourism. Surveys by Solimar International conducted in 2007 and 2008 among 143 people reveal that 90% believe tourism has a positive impact on the community, and 92% think it brings money while enhancing pride in cultural traditions³⁵⁶ (see Box 20).

Box 20: Perceptions of tourism by residents in Pays Dogon

Tourism . . .	
Has a positive effect on our community	90% Agree
Has a negative effect on the environment	51% Disagree
Brings money into our area	92% Agree
Brings social problems to our area	47% Agree
Helps us feel proud of our cultural traditions	92% Agree
Tourists do not respect our traditions/customs	73% Disagree
Tourism brings more jobs to our area	89% Agree
Tourism benefits me personally	81% Agree

However, increasing the capacity of local people to benefit from tourism is challenging. Reasons for this include that the local population is largely uneducated and unskilled in hospitality services. In addition, suitable infrastructure is lacking; including transport, communications, power and waste management³⁵⁷. It is important that visitors have local certified guides, not only to interpret sites and direct visitors away from sacred sites, but also because there are 73 local dialects of the Dogon language³⁵⁸. Therefore, a series of capacity building and training initiatives have been undertaken by USAID/GSTA and DED in Pays Dogon, for the tourism committee, tour operators, campement operators and guides in order to address some of these challenges.

For example, the USAID/GSTA has been supporting the tourism committee called the *Syndicat d'Initiative et de Tourisme de Bandiagara*. This committee aims to lead the coordination of tourism activities in the area. A website promoting Dogon Country (www.dogoncountry.com) has also been created by Solimar and was launched in collaboration with OMATHO.³⁵⁹

Regarding training for tour operators, in 2009 the USAID/GSTA program provided a series of training sessions for official guides, hotel and camp owners. The sessions addressed technical and professional capacity building of local guides in customer service, product development, safety and security and environmental stewardship. Solimar developed a 'tourism 101' training course for camps and other tourism service providers in target program locations.³⁶⁰ In addition, Solimar met with a number of Malian tour operators, travel agents, and tourism business owners in 2008 to discuss efforts for collective outreach as well as the establishment of a travellers philanthropy fund. Many operators were interested in this concept and willing to participate. Solimar has identified

³⁵⁴ AED, 2009

³⁵⁵ Richardson, 2010

³⁵⁶ Solimar International, 2008

³⁵⁷ Adelson, 2008

³⁵⁸ Adelson, 2008

³⁵⁹ AED, 2009

³⁶⁰ AED, 2009, Pers. Com. Herry, 2010

several NGO's operating locally (Joliba Trust, Eco Sahel, and Via Sahel) who could facilitate philanthropy projects and adopt the initiative beyond the life of the USAID/GSTA Program³⁶¹.

For the accommodation sector, a series of two-day training sessions were also conducted by the USAID/GSTA for 187 representatives of 96 campements, which addressed regional tourism assets, traveler motivations, customer service, interactions between travelers and hosts, camp enhancement, food and hygiene³⁶².

Training for guides has been conducted by the USAID/GSTA program in partnership with the Mission Culturelle de Bandiagara, and OMATHO. In 2008 and 2009 training sessions were conducted for over 60 guides addressed themes including Dogon Country history, culture, geography/geology, first aid and other safety and health issues that can affect tourists, guiding techniques and behavior, tourist sensitivity to local culture, local attitudes towards tourism, and illegal trafficking of cultural artifacts. During the training, guides visited local tourist attractions with knowledgeable members of the community to deepen their knowledge of local history and culture³⁶³.

The DED has been working with MCB since 1999, and during this time has been supporting social and cultural development through awareness raising, training and infrastructure improvements³⁶⁴:

- Raised awareness on the protection and cultural heritage conservation and natural through exchange, design and distribution of theatrical and sketches, film screenings on site, and participation in film production
- Construction and renovation of cultural and tourism infrastructure: Museums and craft centres
- Restoration and rehabilitation of sites and ancient monuments: the Gin'na (an undivided patriarchal big house), the shrines and houses totem of old sites and the rehabilitation of the temples
- Support, training and advice for developing community projects: organization of training workshops on economic exploitation and social heritage and promoting economic local elected officials and sector stakeholders Culture and Tourism Support technique to local authorities in preparing their Economic, Social and Cultural Development Plan.

However, there has been some conflict between tourism stakeholders, including guides and hotel owners in Bandiagara, due to a lack of communication and coordination in the management of tourism. The USAID/GSTA has been facilitating processes between the stakeholders to try and improve relations.³⁶⁵ This includes building coalitions and supporting networking to set up transparent systems for collaboration, capture of tourism-based revenue, and equitable distribution of benefit³⁶⁶.

2.6.7. Successes and Constraints

The main outstanding constraints to competitiveness faced in the Pays Dogon include a lack of development of suitable facilities for visitors at cultural and historical sites. The accommodation and tour operator services are generally poor in quality, with limited activities and inconsistent

³⁶¹ AED, 2009

³⁶² AED, 2009

³⁶³ AED, 2009

³⁶⁴ DED, 2009

³⁶⁵ USAID/GSTA, 2009

³⁶⁶ Hilbruner, 2006

pricing. The guides are generally unorganised with only moderate interpretation skills and materials³⁶⁷.

One of the constraints to tourism development in Mali is insecurity in the North of the country. This area is developing into a headquarters of Al Qaeda Maghreb Islamique (AQMI). Over the last three years, there have been kidnappings in Tunisia, Mauritania and Niger, with the captives being held in the Malian desert. Those kidnapped have included citizens from the United Kingdom, Switzerland, Austria and France. Currently there are seven hostages are still hidden in the North of Mali by AQMI³⁶⁸. The 2010 tourism season was severely impacted by these problems, although tourism stakeholders and local communities in the Mopti region have tried to assure their clients that there are no insecurity problems in Pays Dogon. In order to help improve the current situation and ensure that tourism does not continue to drop for years to come, a strong public relations campaign and marketing and promotion is needed from the public and private sector³⁶⁹. Although the security situation in the Pays Dogon is considered by local actors to be safe, the negative publicity relating to problems in other parts of the country does have an impact on the number of visitors to the region³⁷⁰.

There is potential for higher end accommodation facilities along the escarpment, but ideally it should be small, low impact enterprises of 20-30 rooms, with close ties to the community (although not necessarily fully community owned)³⁷¹. A proper site perspective is required though, so that such enterprises do not use vital farmland where there is access to water, and to ensure that they are suitably designed to use solar panels for energy³⁷². The main problem facing investors is the short tourist season (which only lasts for four months between March and June due to the weather), making it difficult to get a respectable return on investment in a short timeframe. Other constraints include poor quality hospitality services in Mali, and the lack of a high quality hotel and catering school³⁷³.

The actors working in Pays Dogon have identified a series of interventions aimed at improving the conditions for a sustainable cultural tourism industry, which include³⁷⁴:

- **Enabling environment:** Improving the capacity of Local Authorities (Municipalities and circles) to integrate activities and tourism stakeholders in management; stimulating public support for public-private partnerships for investment in tourism; improving the quality of hotel services and camps through hospitality training and infrastructure improvements; and improved signage and interpretation.
- **Economic:** Strengthening ties between the owners of tourist facilities (e.g. hotels and restaurants) and local producers; improving the quality and range of tourism products and services and marketing to increase profits populations (including items that local people can sell to tourism enterprises such as jams, vegetables, soap, shea butter, preserves ...); standardising fees for tourism products and services; improved range and visibility tours to non-visited tourist sites; more equitable and transparent distribution of tourism benefits; professionalization and standardisation of the quality of guides, with suitable training and licensing programs; building capacity in management and finance for operators; and management and small business training for local community members.

³⁶⁷ USAID 2009

³⁶⁸ Pers. Com. Kefferstein, 2010

³⁶⁹ Pers. Com. Herry, 2010

³⁷⁰ Pers. Com. Gravel, 2010

³⁷¹ Pers. Com. Herry, 2010

³⁷² Pers. Com. Herry, 2010

³⁷³ Pers. Com. Kefferstein, 2010

³⁷⁴ SNV, 2010, USAID, 2009, Adelson, 2008. Pers. Com. Hilbruner, 2010. Pers. Com. Herry, 2010. Note that more detailed information on the challenges and potential solutions are presented in Annex 1 from Adelson, 2008

- **Environmental:** Improving natural resource management and waste management; infrastructure improvements, including to trails and steps, and development of viewing platforms and boardwalks where appropriate; and improved management and preservation of sites, including participatory planning on a village by village basis; and
- **Social and cultural:** Use of architectural standards and guidelines for aesthetically appropriate construction; raising awareness among the population of appropriate behaviour around tourists (e.g. how to approach tourists), and also among tourists of culturally sensitive issues (e.g. taking photographs, gifts); and mitigating negative social and cultural impacts of tourism.

This case clearly illustrates that collectively a number of local and international actors are collaborating on a range of initiatives to improve the capacity of local people to benefit from sustainable cultural tourism in Pays Dogon. Although constraints still remain, and the impacts and outcomes of actor interventions remain to be quantified, the multi-faceted interventions are pushing in the ‘right’ direction’. What seems to remain is access to finance for investors to improve the volume and diversity of tourism accommodation facilities in the area.

Table 24: Some useful weblinks on Mali

Institution	Website
Global Sustainable Tourism Alliance	http://www.gstalliance.net/
DED (German Development Service), Mali	http://mali.ded.de/
SNV	www.snvworld.org/en/countries/mali/Pages/default.aspx

2.6.8. Acknowledgements

Many thanks to the people who contributed materials towards this case study, and in particular Roberta Hilbruner (USAID), Dillon Smith and Jennifer Barker (USAID/GSTA), Shawndra Herry (Solimar International), Angelika Frei-Oldenburg (DED), Stephane Kefferstein (UNWTO) and Pierre Gravel (SNV). Thanks to those who commented on a draft of this paper, including Andrew Rylance (GtZ), Roberta Hilbruner and Pierre Gravel, and also Hannah Messerli and Vincent Palmade (World Bank).

2.6.9. Acronyms

AQMI	Al Qaeda Maghreb Islamique
CFA	Central African Franc
CISV	Children's International Summer Villages
DED	German Development Service
GDP	Gross Domestic Product
MCB	Cultural Mission of Bandiagara
NGO	non-governmental organisation
OMATHO	l'Office Malien du Tourisme et de l'Hôtellerie
SNV	The Netherlands Development Agency
UNWTO-STEP	United Nations World Tourism Organisation - Sustainable Tourism Eliminating Poverty
USAID/GSTA	United States Agency for International Development's Global Sustainable Tourism Alliance – Pays Dogon program
WHS	World Heritage Sites
WTTC	World Travel and Tourism Council

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2.7. Case study 7: Business and conference tourism in Nairobi, Kenya

2.7.1. Overview of the concept

This case study illustrates how a destination renowned for its leisure product, has adapted its marketing and promotion focus and has strengthened a different tourist segment (business tourism) in order to catalyse its recovery. The case will be useful to other destinations that are heavily focussed on a narrow range of tourism products and experiences that they wish to diversify. It also offers lessons to destinations on how to survive the ups and downs of the sector caused by political instability. In addition, the case shows the importance of high quality vocational training in the Meetings, Incentives, Conferences, and Exhibitions (MICE) sector, and also that international accessibility is paramount for regional travellers.

Box 21: Key issues in the Nairobi MICE case study

- Concentrating on leisure tourism (or any one segment) only can be risky for destinations, particularly following periods of political turmoil or instability.
- Aggressive marketing and promotion of MICE tourism, coupled with investment in conference facilities and accommodation, have demonstrated dramatic improvements in revenue and tourist arrivals.
- High quality vocational training for hotel employees, and a high caliber of hospitality, is a critical factor in MICE competitiveness.
- A key advantage for Kenya is its international flight access. Nairobi being served by many international airlines, and is the biggest hub in East Africa.
- High levels of taxes, levies and government fees, corruption and overly bureaucratic processes and procedures can undermine private sector investment in the tourism sector.

Kenya is a tourism destination famed for its wildlife safaris and white sandy beaches. Kenya conjures iconic images such as the annual wildebeest migration through savannahs of the Masai Mara. The coral-reef lined beaches around Mombassa coupled with enigmatic wildlife provide the perfect 'bush – beach' holiday destination. However, outbreaks of violence that followed the December 2007 elections led to a dramatic drop in visitors in 2008³⁷⁵. Tourist arrivals dipped by 40% to 1.2 million, bed occupancies declined by an average 65%, and subsequently earnings declined by 19.4% in 2008³⁷⁶. Similarly, the number of people visiting Kenya's protected areas dropped by 36% from 2.5 million in 2007 to 1.6 million in 2008³⁷⁷.

However, Kenya has engineered a dramatic turnaround, through an aggressive marketing campaign coupled with investments in the conference and business stock³⁷⁸ by local and international investors. Tourism Minister Najib Balala and the team at Kenya Tourist Board (KTB) (the public body charged with marketing Kenya as a destination) prioritized getting repeat visitors to come back to confirm to the world that Kenya was still a preferred tourist destination³⁷⁹. As a result, conference tourism became the fastest growing segment of the industry in Kenya by 2009, with a higher financial impact than leisure tourists³⁸⁰. In 2009 the bed occupancy in Nairobi's high class hotels actually surpassed its 2008 levels, despite dropping by 31% between 2007 and 2008³⁸¹. This

³⁷⁵ Ongong'a Achieng, Kenya Tourist Board, cited by USA Today, 2008

³⁷⁶ MariAnne Ndegwa, Kenya Tourism Board, cited by Lumiti, 2009; Ministry of Tourism 2010b

³⁷⁷ Ministry of Tourism, 2010b

³⁷⁸ Mwalya, 2009

³⁷⁹ Tribehotel, 2010

³⁸⁰ Mwalya, 2009

³⁸¹ Ministry of Tourism, 2010b

marketing and promotion had similarly helped to recover the number of visitors to protected areas, so that by 2009 they had returned to their 2006 levels³⁸².

Box 22: What is MICE tourism?³⁸³

MICE is for a form of business tourism that incorporates Meetings, Incentives, Conferences, and Exhibitions. MICE tourism is a specialised area with its own trade shows and practices. MICE refers to a particular type of tourism in which large groups planned usually well in advance are brought together for some particular purpose. IAPCO (the International Association of Professional Congress Organisers) uses the following definitions:

- **Meeting:** General term indicating the coming together of a number of people in one place, to confer or carry out a particular activity. Frequency: can be on an ad hoc basis or according to a set pattern, as for instance annual general meetings, committee meetings, etc.
- **Incentive:** Meeting event as part of a program which is offered to its participants to reward a previous performance.
- **Conference:** A participatory meeting designed for discussion, fact-finding, problem solving and consultation. As compared with a congress, a conference is normally smaller in scale and more select in character - features which tend to facilitate the exchange of information. The term "conference" carries no special connotation as to frequency. Though not inherently limited in time, conferences are usually of limited duration with specific objectives.
- **Exhibition:** Events at which products and services are displayed.

The "E" sometimes referring to Events and the "C" sometimes referring to Conventions.

2.7.2. Motivation of the actors

There are several public, private and civil society institutions involved in driving the MICE tourism sector in Nairobi. These include:

- **Kenya Tourism Development Corporation (KTDC)**, which secures the investigation, formulation and implementation of projects for developing the tourist industry of Kenya.
- **Kenya Tourism Board (KTB)**, which is responsible for tourism marketing and promotion.
- **Kenya Utalii College (KUC)**, which is renowned in the region for its human resources development for the hospitality industry.
- **Kenya Tourism Federation (KTF)** is an umbrella organization for all tourism organizations.
- The **Kenya Hotels and Restaurants Authority (KRA)** makes provision for the licensing of hotels, hotel managers, and restaurants; for the regulation of hotels and restaurants; for the imposition of a levy for training persons to be employed in hotels and restaurants.
- **Kenya Investment Authority (KIA)** promotes and facilitates investment by assisting investors in obtaining the licenses necessary to invest and by providing other assistance and incentives and for related purposes.
- **Kenya Association of Tour Operators (KATO)** is the leading tourism trade association representing tour operators.
- **Ecotourism Kenya** is a non-governmental organisation (NGO) that promotes ecotourism and sustainable tourism practices in Kenya. Represents individuals, community based organizations (CBOs) and corporate organizations.

³⁸² Ministry of Tourism, 2010b

³⁸³ <http://www.mice.ie/micedefinition.php>

2.7.3. *Relevance*

The new Tourism Bill (2010) is proposed as a single piece of legislation for the development, management, marketing and regulation of sustainable tourism and related activities in Kenya³⁸⁴. The Bill includes mechanisms for incentives to encourage the tourism sector; training and capacity building, particularly through Kenya Utalii College; and also the use of the Kenyatta International Conference Centre (KICC) to spearhead the promotion of MICE tourism³⁸⁵.

The Tourism Bill (2010) is part of a process to address a sector that is overburdened with institutions and regulations. In 2007 there were an overwhelming 44 different legislative instruments used to regulate the tourism sector (see Annex 2)³⁸⁶. In addition, there are overlapping functions of over 15 public organizations that regulate the sector, plus 11 associations and civil societies representing different markets³⁸⁷, and the Bill helps to simplify the institutional arrangements. The bureaucratic procedures involved in policing licenses can clearly undermine the competitiveness of operators in Kenya³⁸⁸.

The Ministry of Tourism finalized its National Tourism Policy in August 2008. Key issues and challenges identified by the policy document include product quality and diversity; hotel and bed capacity; infrastructure; marketing; safety and security; and negative travel advisories³⁸⁹:

2.7.4. *Effectiveness and impact*

Tourism currently accounts for approximately 11% of the Gross Domestic Product (GDP) in Kenya, making it the third largest contributor to the economy after agriculture and manufacturing³⁹⁰. MICE tourism combined with business traveller activity is now a strong segment within the country's tourism sector³⁹¹.

Kenya has emerged a notable conference business segment and the country is frequently an adjudicator in international disputes, which has also led to a valued niche³⁹². Of the 1.4 million tourist arrivals in Kenya in 2009, 12% were business travellers, with 180,600 business travellers. Kenya is now ranked the fourth best destination for meetings and conventions in Africa, after South Africa, Egypt and Morocco³⁹³. Some of the main conference venues are the KICC, the Panafric, Hilton, Intercontinental, Crown Plaza, Stanley, Laico Grand Regency, and the Holiday Inn³⁹⁴. In November 2010 the 156-room, US\$38 million Sankara Hotel opened, adding to the 590 other new beds in Nairobi since 2007 within the Tribe, Crowne Plaza and Ole Sereni hotels³⁹⁵.

In Nairobi there are eight 5-star designated hotels of varying quality with a combined capacity of 1.14 million bed nights annually. The KICC plays a crucial role in this business as the capital city's dedicated conference centre³⁹⁶. The 2008-12 plan for the KICC aims to increase the number of delegates attending international conferences from 12,000 to 32,000 by 2013, and also to increase the MICE contribution to the national economy from US\$27.5 million to \$73.3 million

³⁸⁴ Ministry of Tourism, 2010

³⁸⁵ Ministry of Tourism, 2010

³⁸⁶ World Bank, 2010

³⁸⁷ World Bank, 2009

³⁸⁸ World Bank, 2010

³⁸⁹ World Bank, 2010

³⁹⁰ Ministry of Tourism, 2010c

³⁹¹ World Bank, 2010

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³⁹³ Oyuke, 2010

³⁹⁴ Pers. Com. Thouless 2010

³⁹⁵ Maina, 2010a

³⁹⁶ World Bank, 2010

2013³⁹⁷. Key characteristics of the business and conference segment and the visitors coming to Kenya are provided in Table 25.

Table 25: Basic Characteristics of Business/Conference Facilities in Nairobi (2006)³⁹⁸

	Characteristic	Data
Number of hotels in Nairobi	5-Star	8
	4- Star	1
Total number of travellers	Business	165,148
	Conference	16,663
Average stay	Conference/events	4 – 5 nights
	Businessmen	>10 days
Average bed night price	including breakfast and taxes	US\$165 - US\$266
Type of MICE	Company retreat	45 – 50%
	Individual business	50 – 65%
	Repeat business	50%
Source of reservation	Local corporate office	65%
	Tour operator	25%
	Direct	10%

Prior to both the post-election turmoil and global financial crisis, hotels would operate at near 100% capacity during the peak season. Even during the low season, the occupancy rate is over 85%. Such high occupancy rates are a reflection of the high demand and shortage of premium accommodations in Nairobi³⁹⁹. Increased conferencing in Nairobi has led to increased bed scarcity in Nairobi, particularly during large meetings, and also an increase in the price of rooms to an average of \$205 (the same as Johannesburg, South Africa).⁴⁰⁰ This price marks a 31% increase in average room price between 2009 and 2010⁴⁰¹. The sharp increase in prices is attributed by some to heavy discounting that the industry had to make in 2008 following the slump in bookings⁴⁰². For business and conference tourism in Nairobi is very competitive in the region. The high room and overhead charges in Kenya reflect the investment in and high quality of service and staff, particularly in Nairobi. Over 40% of the room/overhead charges in Nairobi are for wages and allowances for hotel staff⁴⁰³. Nairobi hoteliers are increasingly sourcing food and beverage from local suppliers, but despite this their costs are still relatively high⁴⁰⁴.

In addition, taxes and levies constitute 12.8% of the total value chain for MICE tourism in Nairobi. Of this amount Value Added Tax (VAT) is 57.1% of the total tax bill, followed by service tax (35.7%) and training levy (7.1%). Therefore despite the policy to grow the tourism industry, taxes, levies and government fees that are consistently high and may be undermining private sector re-investment in the tourism sector in Kenya⁴⁰⁵.

Since 2008, the government and tourism sector players have invested billions of shillings to open new markets including South Africa, India, Russia, Netherlands, Tanzania, Uganda, China and the United Arab Emirates⁴⁰⁶. One key advantage that Kenya has within the region is its international access – many international carriers serve Nairobi and it remains by far the biggest hub in East

³⁹⁷ KICC, 2010

³⁹⁸ Compiled by Global Development Solutions, LLC, cited in World Bank, 2010. Some of these figures will be higher now for number of hotels and travellers

³⁹⁹ World Bank, 2010

⁴⁰⁰ Maina, 2010b

⁴⁰¹ Maina, 2010c

⁴⁰² Maina, 2010c

⁴⁰³ World Bank, 2010

⁴⁰⁴ World Bank, 2010

⁴⁰⁵ World Bank, 2010

⁴⁰⁶ Maina, 2010d

Africa. Other issues that help make it a successful destination for conferences are that it is English speaking, and that there are readily available sightseeing opportunities (e.g. at the extensive national parks and reserves)⁴⁰⁷. However, the traffic from Kenyatta International Airport into the centre of Nairobi is notorious for its gridlock, and it is not unusual for the 15 km journey to take 2 hours. A 2007 survey found that traffic jams in Nairobi were costing drivers up to \$746,000 per day, through increased fuel consumption, mechanical damage and pollution⁴⁰⁸.

2.7.5. Innovation and noteworthy issues

One Nairobi hotel in the 5-Star category, has highlighted that the tourism market has slowly shifted away from accommodating airline crews (where airlines would reserve blocks of rooms for the entire year at a substantially discounted price) to a focus on business and conference tourism. In this context, the 5-Star hotel in Nairobi primarily caters for business, conference, and leisure tourists⁴⁰⁹.

The management of the luxury hotels takes pride in the quality of both service offered and their staff. This is reflected in the high proportion of expenditure on wage and allowance (housing allowance) – 40.7%. According to the hotel staff, a position in such a hotel is a prized job in Kenya, which is reflected in the very low worker turnover (less than 10%).⁴¹⁰ New hotels in the MICE market are focusing on the top-end of the market, and promoting great service, quality, hospitality and value for money.

2.7.6. Success and sustainability

a) Economic

Business travel generates substantial visitor numbers and revenues, and is supported by Kenya's central location and international air access. In combination with the smaller conference sub-segment, these travellers offer great potential to stay longer and spend more when provided with targeted leisure experiences such as safari and coastal tourism excursions. The assets of business and conference tourism are essentially built assets dependent on the investment climate and business operating environments⁴¹¹.

The price per night for the 5-Star hotel ranges from US\$165 - US\$266 in Nairobi, but the volume of business determines the room rate that a particular company or organization brings to the hotel⁴¹². For a 5-day conference in Nairobi, the average daily expenditure of a business/conference traveller is approximately US\$180, which extends to US\$900/week⁴¹³. An illustration of the flows of tourism expenditure through the Nairobi MICE value chain is shown in Figure 15. This highlights that the majority of local spend is on accommodation (45.6%) and food and drink (33.3%).

⁴⁰⁷ World Bank, 2010

⁴⁰⁸ Berg, 2007

⁴⁰⁹ World Bank, 2010

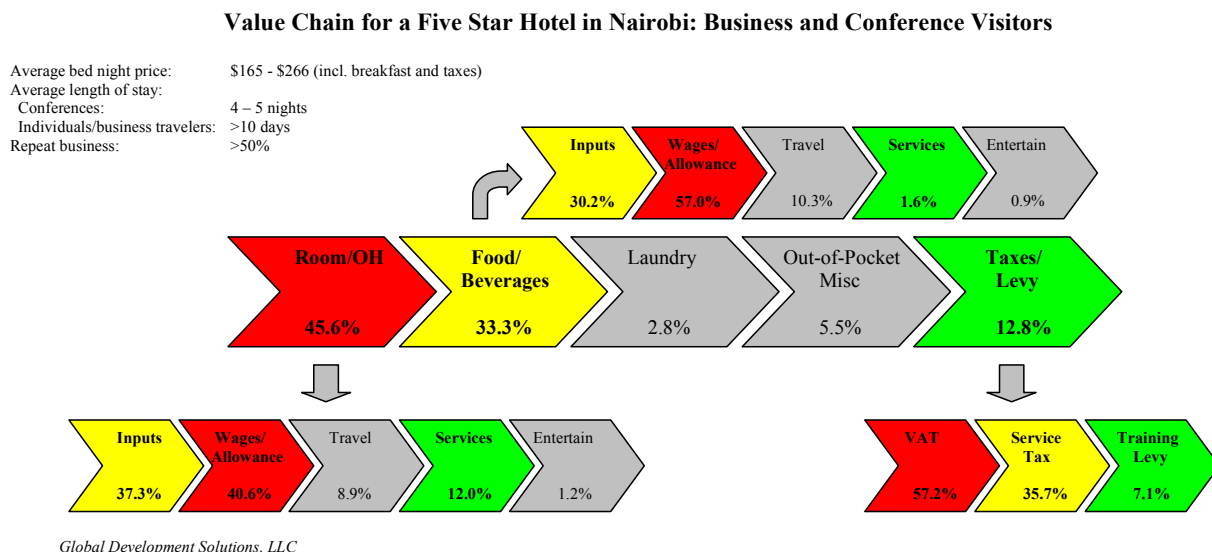
⁴¹⁰ World Bank, 2010

⁴¹¹ World Bank, 2010

⁴¹² World Bank, 2010

⁴¹³ World Bank, 2010

Figure 15: Value chain diagram of MICE tourism in Nairobi⁴¹⁴



Hotels in Nairobi often have policies of sourcing many operational goods from local suppliers, whether through local manufacturers or local distributors of imported products. Several examples non-perishables that one hotel in Nairobi imports includes bed sheets (all from Egypt), toiletry products (repacked imports purchased through a local distributor), and all spare parts for major equipment such as pumps, kitchen and laundry equipment. According to the management, inputs like bed sheets could potentially be sourced locally, but the quality of the products available through local sources do not meet 5-Star hotel standards. With this noted, however, all staff uniforms and most other textile products used by staff or in the rooms are sourced locally. As for spare parts, demand for such parts in Kenya alone is too small to warrant local production⁴¹⁵.

Over the past decade, the quality of food and food services available in Kenya have also seen remarkable improvements. As a consequence, hotels and restaurants have increased their reliance on local suppliers for both perishable and non-perishable consumable products. The exceptions are wine, of which the majority imported, and spirits (approximately 50% imported)⁴¹⁶.

b) Environmental

None of the international conference hotels in Nairobi have been accredited under international certification schemes (Green Globe 21) or local certification initiatives (EcoRating, Kenya). Some individual hotels have also made efforts to use environmental management systems and enhance the biodiversity value of their operations, such as the Serena hotel. However, the Sankara and Tribe hotels have tried to incorporate low energy lighting and intelligent controls in their systems⁴¹⁷. The Tribe hotel was recently selected as one of the world's top 100 hotels, and features on the Condé Nast Traveller's Hot Lists for 2010 not least for its blend of style, service, technology and aura⁴¹⁸.

c) Social and cultural

This case study does not focus on social and cultural issues.

⁴¹⁴ Global Development Solutions, LLC, cited in World Bank, 2010

⁴¹⁵ World Bank, 2010

⁴¹⁶ World Bank, 2010; Pers Com Thouless, 2010

⁴¹⁷ Pers. Com. Saini, 2010

⁴¹⁸ Grieves Cook, quoted by Tribehotel, 2010

2.7.7. *Successes and Constraints*

The investment in marketing and promotion of MICE tourism since 2008 has clearly stimulated demand in Nairobi. The additional business visitors have led to increased investment and refurbishment of hotel and conference facilities in the city, and also higher tariffs. This shift in focus from a purely leisure destination of beach and safari experiences, has helped to re-vitalise the tourism sector in Kenya.

Continuing to expand training and offering competitive wages for supervisory and mid-level management positions in the hospitality sector to avoid possible ‘leakage’ of administrative and management talent to competing destinations is expected to be a critical factor for maintaining and improving the quality of service delivery in the tourism sector in Kenya⁴¹⁹. The 2008 Tourism Policy prioritises human resources development, and states that it will endeavour to:

- Promote the development of a critical mass of well-trained personnel in the tourism sector.
- Improve and expand the existing national hospitality and tourism training facilities.
- Develop and implement a hospitality and tourism industry curriculum, standards and certification in consultation with the Ministry of Education.
- Regulate the hospitality and tourism training institutions.
- Improve access to training opportunities through a system of scholarships, revolving loans and incentive schemes.
- Encourage technical know-how and student exchange programmes within and outside the region.

Some of the constraints to enhancing the MICE market in Nairobi include a lack of premium conference facilities, a limited number of high quality restaurants, unreliable communications infrastructure, and the high cost of electricity⁴²⁰. In addition, Kenya faces a number of systemic problems that contribute to a weak business climate⁴²¹. A critical factor is corruption, with 75% of firms in Kenya reported having to make informal payments to “get things done. For example, Kenyan firms are required to pay approximately 12% of the value of a public contract as informal payments, which is higher than South Africa, Tanzania or Uganda.⁴²² In fact, Transparency International’s 2007 Corruption Perceptions Index ranks Kenya among the world’s 10 most corrupt nations⁴²³.

The key messages for other destinations to take away include: avoid relying on one market segment (e.g. leisure tourism), that it pays to diversify, and following a crisis investment in positive marketing and promotion in source markets is vital. Other enabling conditions required include suitable venues, adequate accessibility of the originating markets, efficient transport systems, acceptable levels of security, and perceived value for money.⁴²⁴

2.7.8. *Acknowledgements*

This paper is largely based on a World Bank (2010) value chain analysis for tourism conducted by Hannah Messerli, Muteshi Musabi, Iain Christie, Yasou Konishi, and Glenn Surabian.. Thanks to Chris Thouless (SNV) and Anjali Saini (World Hotel Link) who provided initial contributions to the work. Thanks also to

⁴¹⁹ World Bank, 2010

⁴²⁰ World Bank, 2010

⁴²¹ ICA Surveys, cited in World Bank, 2010

⁴²² ICA Surveys, cited in World Bank, 2010

⁴²³ US Department of State, 2008

⁴²⁴ Okech, 2009

Hannah Messerli and Vincent Palmade (World Bank), Andrew Rylance (GtZ), Chris Thouless and Anjali Saini and who commented on a draft.

2.7.9. Acronyms

CBO	Community based organization
GDP	Gross Domestic Product
IAPCO	International Association of Professional Congress Organisers
KATO	Kenya Association of Tour Operators
KIA	Kenya Investment Authority
KICC	Kenyatta International Conference Centre
KRA	Kenya Hotels and Restaurants Authority
KTB	Kenya Tourist Board
KTB	Kenya Tourism Board
KTDC	Kenya Tourism Development Corporation
KTF	Kenya Tourism Federation
KUC	Kenya Utalii College
MICE	Meetings, Incentives, Conferences, and Exhibitions
NGO	Non-governmental organisation
VAT	Value Added Tax

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3. Annexes

3.1. Annex 1: Challenges and potential solutions to tourism development in Pays Dogon

From Adelson (2008) Pays Dogon : Tourism industry, Executive summary, 4 November 2008, Bandiagara, Mali, GSTA/PD (Global Sustainable Tourism Alliance/Pays Dogon)

POWER SUPPLY

Challenges. A local power grid does not exist: alternative power sources are the only available options for generating electricity. Because of the fragile natural environment, their contribution to global warming, the cost of fuel, and the noise they generate, diesel generators are discouraged.

Solutions. Design to reduce power requirements of hotel. Use alternatives to diesel power
o Architectural design, construction methods and materials reduce need for energy for cooling and heating. Traditional PD architecture includes techniques that keep houses relatively cool... Revive those techniques!
o Thermal hot water.
o Renewable energy sources such as solar, wind and heat pump.
o Seek grants and subsidies from organizations that support alternative power generation. Become a showcase for alternative energy.

TRANSPORT

Challenges. PD is remote. Air and ground travel to the region can be arduous. Once in the region, rough roads at the base of the escarpment and connecting PD villages to Bandiagara, Sangha and Bankass require a high-clearance four-wheel-drive vehicle. However, fragile soils demand vehicle restrictions. Vehicle use in PD has resulted in soil erosion and damage to traditional *chemins* used by donkey carts, negatively impacting locals' transport ability. Additionally, these vehicles (and motos) contribute to local air pollution.

Solutions. Reduce vehicle use. Support local road maintenance.
o Limit vehicle use as much as possible.
o Use local donkey carts to transport goods at the base of the cliff.
o Organize/support road repair crews from local villages.
o Purchase carbon offsets for clients' travel.
o With careful attention to environmental impacts, development of a private airstrip may be possible.

COMMUNICATIONS

Challenges. Only spotty cellular service is available in PD (service providers are Malitel and Orange). Internet access, though unreliable, is available in Bandiagara.

Solutions. Communications and lobbying efforts to improve services.
o Communicate to guests—before arrival—the challenges and limitations of communications at the property.
o Carefully select location before construction, understand limitations of site.
o Obtain satellite internet equipment/service.
o Lobby mobile service providers to improve service.

HEALTH & SAFETY

o Provide on-site, fully equipped clinic. This will benefit both employees and employer (by ensuring a healthy workforce) as well as provide an additional amenity for visitors. Stock anti-malarial drugs and other commonly needed medications, defibrillator, etc.
o Train staff in basic first aid.
o Require that all guides used by hotel are trained in first aid and wilderness medicine. Supply first aid kits to all guides.

WATER SOURCE, TREATMENT & DISPOSAL

Challenges. Scarce water resources, water not potable, prevent pollution of delicate natural environment.

Solutions. Minimize water use, recycle, treat wastewater. In addition to hospitality industry established environmental practices, consider additional steps.
o Design to minimize water use and minimize wastewater produced.
o Filtration/sterilization system required to produce potable water for guests.
o Use alternatives to flush toilets, such as dry composting toilets.
o Recycle grey water.
o Treat wastewater prior to release into environment (for example, use artificial marshes).

TRASH REDUCTION, COLLECTION & DISPOSAL

Challenges. Lack of trash collection and disposal services.

Solutions. Reduce, reuse, recycle. In addition to hospitality industry established environmental practices, consider additional steps. o Minimize use of imported products to reduce packaging waste. o Provide filtered/sterilized water for guests, thereby reducing trash by reducing demand for bottled mineral water. o Outlaw plastic shopping bags at hotel and in local village. Provide reusable fabric shopping bag for guests and villagers. o Aggressive trash sorting. On-property education of tourists to reduce, reuse, recycle. o Compost biodegradable items. o Return recyclables to a recycle center; non-biodegradable items to an appropriate disposal center; encourage tourists to return toxic items, such as batteries, to their home country for proper disposal. o Consider full lifecycle accounting for all purchases.

STAFFING

Challenges. Local workforce lacks general and specific education

Solutions. Define hiring, training and employee development policy. Create custom solutions for property's specialized needs.

- o Hire for attitude; train in-house; promote from within. Alternatively, send staff to other properties for training or provide education allowance for employees. Includes service staff, plant maintenance and repair staff.
- o Provide basic education to staff (literacy training may be needed to develop employees for further in-house opportunities)

UNESCO WORLD HERITAGE SITE

Challenge or benefit? The ICOMOS International Committee on Cultural Tourism outlines architectural restrictions designed to protect UNESCO World Heritage sites: it states that new construction “should be designed in a manner so as not to intrude upon or distract from the visitor’s experience of the site. Particularly important are the siting, height, massing, exterior materials, their color and texture, and surrounding landscape treatment.²³” It further describes the responsibilities of the site administrator in managing these protections: “It is imperative that the site administrator draw up precise and legally sound contracts and leases for any privately developed and operated facilities. These documents should cover all aspects of accommodation services—i.e., schedules of operation, selection and approval of all furnishings and décor, operational staffing standards, maintenance standards, advertising and promotion provisions, public health and safety standards, insurance and liability provisions, room rates, profit percentages between concessionaire and site administration, and termination provisions.”

In PD, the site administrator is the Mission Culturelle de Bandiagara (MCB). In its 2006 management plan, MCB notes the problem of proliferation of campement accommodations in cliff villages that do not respect traditional architecture²⁴. However, presently there is not an effective enforcement mechanism in place.

BRANDING

Challenges. Limited awareness of PD as destination among international tourists.

Solutions. Build awareness among target markets of Pays Dogon as a destination: an authentic local cultural experience.

- o Create new tourist offerings: higher quality, complete experience.
- o Highly-targeted markets: ecotourism, philanthropic tourism, luxury adventure travel.
- o Expand marketing to geographically promising markets: UK, US, Germany.
- o Coordinate advertising with tour operators.

LENGTH OF TOURIST SEASON

Challenges. Tourist season is short: four-month long high season, two-month long mini-season.

- o During harvest season (October), local population is occupied with agricultural work.
- o Hot season (*la saison morte*), with daytime temperatures climbing to 45°C, is recognized as inhospitable to tourists.

Solutions.

- o The season has potential to be extended, encouraging greater visitation in July, August, September and October. With additional amenities in place (such as air conditioning and transport), traveler discomfort can be alleviated.
- o Low season can be used productively: major repairs, improvements and staff training can be conducted during this time.
- o Discounts can be used to attract visitors during off-peak seasons.

- o Close business during hot season.

GOVERNMENT

Challenges.

- o Resources of the regional government offices are inadequate. Therefore, business support is weak, but national indicators show improvement in the business environment (See Appendix B).
- o OMATHO support, though underfunded, can be enlisted and leveraged in marketing efforts.

Solutions.

- o Effectiveness in local matters relies on establishing sound personal relationships with businesses and local officials.
- o Pressure government agencies to protect and promote PD through establishment of environmental protections, access restrictions, hypothecation of tax revenues.
- o Support implementation of Management Plan, created by Mission Culturelle de Bandiagara.
- o Promote establishment of revenue source to protect region, e.g., a regional tourist tax or vehicle access fee.

3.2. Annex 2: Laws Relevant to the Tourism Sector in Kenya

Laws and Regulations	Mandate	Administrative Oversight
Continental Shelf Act (CAP 312)	Vest rights in the Government in respect of the natural resources of the continental shelf	Attorney General
Government Land Act (CAP 280)	Regulating the leasing and other disposal of Government lands, and for other purposes	Commissioner of Lands
Hotel Accommodation Tax Act (CAP 478)	Impose a tax in respect to the hire and occupation of accommodation in hotels and similar establishments	Controller
Air Passenger Tax Act (CAP 475)	Imposition of passenger tax on airline flights	Customs and Excise
Forests Act (CAP 7)	Provide for the establishment, development and sustainable management, including conservation and rational utilization of forest resources for the socio-economic development of the country	Kenya Forestry Service (Ministry of Environment and Natural Resources)
Investment Promotion Act (CAP 6)	Promote and facilitate investment by assisting investors in obtaining the licenses necessary to invest and by providing other assistance and incentives for related purposes	Kenya Investment Authority
Marine Insurance Act (CAP 390)	Provision in relation to marine insurance	Kenya Port Authority
Value Added Tax Act (CAP 476)	Impose a tax to be known as value added tax on goods delivered in, or imported into, Kenya; and on certain services supplied in Kenya	Kenya Revenue Authority
Environmental Management and Coordination Act (CAP 8)	Establishment of an appropriate legal and institutional framework for the management of the environment and for matters connected to the protection of the environment (creates NEMA and the National Environmental Council)	Ministry of Environment and Natural Resources
Insurance (Motor vehicle third party risks) Act (CAP 405)	Make provision against third party risks arising out of the use of motor vehicles	Ministry of Finance
Privatization Act (CAP 2)	Provide for the privatization of public assets and operations, including state corporations, by requiring the formulation and implementation of a privatization program by a Privatization Commission to be established by this Act	Ministry of Finance
Public Fees Act (CAP 424)	Provide for the levying of fees for licenses, permits and other matters arising in public offices	Ministry of Finance
Regulation of Wages and Conditions of Employment Act (CAP 229)	Provide for the establishment of Wages Advisory Boards and Wages Councils for the regulation of remuneration and conditions of employment	Ministry of Labor and Human Resources Development
Land (Group Representatives) Act (CAP 287)	The incorporation of representatives of groups who have been recorded as owners of land under the Land Adjudication Act	Ministry of Lands
Land Adjudication Act (CAP 284)	Ascertainment and recording of rights and interests in Trust land	Ministry of Lands
Land Consolidation Act (CAP 283)	Ascertainment of rights and interests in, and for the consolidation of, land in the special areas; for the registration of title to, and of transactions and devolutions affecting, such land and other land in the special areas	Ministry of Lands
Land Titles Act (CAP 282)	Provision for the removal of doubts that have arisen in regard to titles to land and to establish a Land Registration Court	Ministry of Lands
Protected Areas Act (CAP 204)	Prevent the entry of unauthorized persons into areas which have been declared to be protected areas	Ministry of Lands
Registered Land Act (CAP 300)	Make further and better provision for the registration of title to land, and for the regulation of dealings in land so registered	Ministry of Lands
Registration of Titles Act (CAP 281)	Provide for the transfer of land by registration of titles	Ministry of Lands
Trusts of Land Act (CAP)	Relating to trusts of land	Ministry of Lands

290)		
Local Government Act (CAP 265)	Provide for the establishment of authorities for local government; to define their functions	Ministry of Local Government
Physical Planning Act (CAP 6)	Provide for the preparation and implementation of physical development plans	Ministry of Planning and National Development
Coastal Development Authority Act (CAP 449)	Plan and co-ordinate the implementation of development projects in whole of the Coast Province and the exclusive economic zone and for connected purposes	Ministry of Regional Development Authorities
Kenya Road Boards (CAP 7)	Oversee the road network in Kenya and thereby coordinate its development, rehabilitation and maintenance and to be the principal adviser to the Government on all matters related to road networks	Ministry of Roads and Public Works
Public Roads and Roads Access Act (CAP 399)	Provide roads of public travel and access to public roads	Ministry of Roads and Public Works
Road Maintenance Levy Fund (CAP 9)	Provide for the imposition of a road maintenance levy on petroleum fuels and for the establishment and administration of a Road Maintenance Levy Fund	Ministry of Roads and Public Works
Tourism Industry Licensing Act (Ch 381)	Issue licenses and regulate licensed tourist enterprises	Ministry of Tourism and Wildlife
The Wildlife Conservation and Management Act (CAP 376)	Consolidate and amend the law relating to the protection, conservation and management of wildlife in Kenya	Ministry of Tourism and Wildlife
Fisheries Act (CAP 378)	Provide for the development, management, exploitation, utilization and conservation of fisheries	Ministry of Tourism and Wildlife
Hotels and Restaurants Act (CAP 494)	Make provision for the licensing of hotels, hotel managers, and restaurants; for the regulation of hotels and restaurants; for the imposition of a levy for training persons to be employed in hotels and restaurants	Ministry of Tourism and Wildlife
Kenya Tourist Development Authority Act (CAP 382)	Establishment of the Kenya Tourist Development Corporation	Ministry of Tourism and Wildlife
Tourist Industry Licensing Act (CAP 381)	Make provision for regulating the tourist industry with a view to promoting its well-being and development	Ministry of Tourism and Wildlife
Foreign Investments Protection Act (CAP 518)	Give protection to certain approved foreign investments	Ministry of Trade and Industry
Landlord and Tenant (shops, hotels, and catering establishments) (CAP 301)	Make provision with respect to certain premises for the protection of tenants of such premises from eviction or from exploitation	Ministry of Trade and Industry
Civil Aviation Act (CAP 394)	Licensing and regulation of civil aviation	Ministry of Transport
Kenya Airport Authorities Act (CAP 395)	Construct, operate and maintain aerodromes and other related facilities	Ministry of Transport
Kenya Maritime Authorities Act (CAP 5)	Establishment of the Kenya Maritime Authority as a body with responsibility to monitor, regulate and coordinate activities in the maritime industry, and for all other matters connected	Ministry of Transport
Kenya Port Authorities Act (CAP 391)	Establishment of an Authority to be known as die Kenya Ports Authority, for the transfer to the Authority of the undertakings, within Kenya	Ministry of Transport
Maritime Zone Act (CAP 371)	Consolidate the law relating to the territorial waters and the continental shelf of Kenya; to provide for the establishment and delimitation of the exclusive economic zone of Kenya; to provide for the exploration and exploitation and conservation and	Ministry of Transport

	management of the resources of the maritime zones	
Transport Licensing Act (CAP 404)	Provide for the coordination and control of means of and facilities for transport	Ministry of Transport
Entertainment Tax Act (CAP 479)	Imposition and recovery of a tax in respect to entertainment	Treasury
Water Act (CAP 8)	Provide for the management, conservation, use and control of water resources and for the acquisition and regulation of rights to use water; to provide for the regulation and management of water supply and sewerage services; to repeal the Water Act (Cap. 372) and certain provisions of the Local Government Act	Water Management Resource Authority (Ministry of Water and Irrigation)
<i>Compiled by Global Development Solutions, LLC. Refer to http://www.kenyalaw.org/kenyalaw/klr_home/ for the complete laws of Kenya. Source: Messerli et al, 2010</i>		