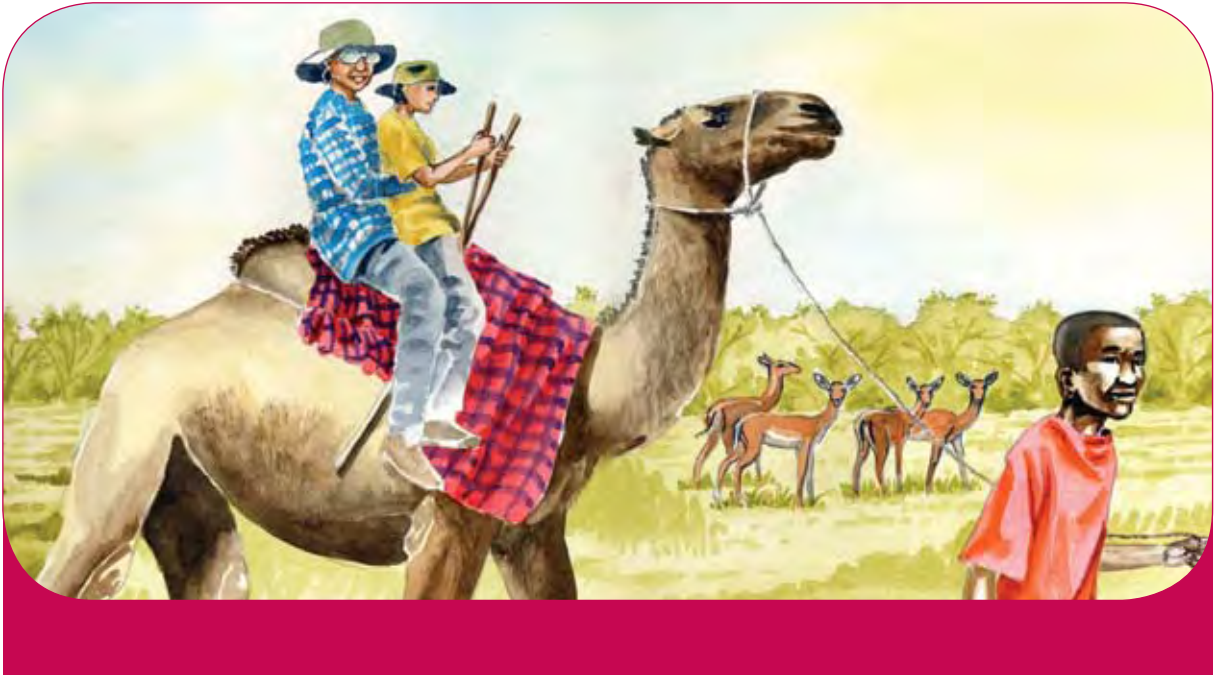


Wildlife can work for you: creating a conservation-based venture (CBV)



What if you could transform a big problem – something that costs you money, time and heartache – into a thriving business that brings income instead of trouble?

If a lot of wildlife roams your community land; if herding or growing food is difficult or impossible because of wild animals; if your community lies near a national park or other site that draws a lot of visitors ... then you may be sitting on the makings of a very good business indeed.

THE POTENTIAL

Every year millions of visitors from around the world flock to wildlife-rich areas of Africa. For many people it's the dream of a lifetime and they are willing to spend a considerable amount on it. Some get so "hooked" on the experience they come back again and again, looking for "new," less travelled areas.

Over 700,000 tourists visited Tanzania in 2007, collectively spending over one billion dollars U.S. Some estimate that by 2010 a million will tour the country, spending US\$ 1.5 billion.

The Northern Safari Circuit – which includes Mt. Kilimanjaro, Ngorongoro, Tarangire, and Manyara National Parks and neighbouring districts – attracts a major proportion of international tourists. These include both visitors on their first safari and experienced travellers seeking out remote camps and new experiences.

Neighbouring Kenya has been developing its tourism industry for longer; by 2007 it received two million visitors, although 2008 saw a sharp drop due to the after-

math of the elections. According to Kenya's Ministry of Tourism, tourism had been the fastest growing segment of the economy, at about 13 percent a year. Officials expect it to recover its momentum. Tourism accounts for about 12 percent of the Gross Domestic Product, bringing in KSh 65.4 billion (about US\$ 840 million) in 2007.

HOW CAN COMMUNITIES BENEFIT?

Clearly some tour companies, governments, and entrepreneurs are making a lot of money from wildlife. But, for the most part, the communities sharing their home with wild animals get the danger and destruction rather than the rewards.

To help achieve rural development goals as well as ensure that wildlife survives forever, many communities and organizations are figuring out how to build "nature-based" or "conservation-based" business ventures.

Whatever you call them, conservation-based ventures (CBVs) will not make your community rich, but they can help it develop economically and also provide resources to invest in important social services.

In addition, new models are springing up to compensate communities directly for "environmental services" – which often mean keeping up the land management systems they have used for centuries (Box 1).

THINK BEYOND THE USUAL

Visitor-oriented CBVs are not limited to camps and lodges. Visitors also look for entertainment and, increasingly, active experiences, which might include

BOX 1. PAYMENT FOR ENVIRONMENTAL SERVICES (PES)

Conservationists and policy makers increasingly believe that rural communities should be paid for their “ecosystem” or “environmental” services. In other words, if rural people keep a watershed and rivers healthy, they should benefit. If they make an effort to keep a forest alive instead of turning it into charcoal, they should benefit. If they resist the urge to sell rangeland to farmers, they should be paid for the lost economic opportunity.

In East Africa, some organizations are now taking the initiative to pay communities simply for living with their livestock and wildlife as they did in previous days – without building up another business.

The Terrat Easement, Tanzania

One such PES project is in Terrat village in Simanjiro District, Tanzania – a crucial wildlife area near Tarangire National Park. Headed by Dorobo Tours and the NGO Ujamaa Community Resource Trust, with other tourist operators and the Tarangire Elephant Project, the Terrat “Easement” provides financial benefits for Terrat to continue to protect land they already protected as traditional dry season pasture.

The partnership pays Terrat an annual fee of five million TZS. In exchange the village has agreed to prevent farming, charcoal production, and wildlife poaching on the range. In addition, the village requested the operators to fund four village game scouts to enforce and monitor the arrangement. Signed in December 2005, the contract is overseen by a village-level management board of five villagers elected by the Village Assembly for a five-year term.

The village has invested the 15 million TZS received so far in building a primary school and a new secondary school. The total revenues are not large – about \$4,500 – but is discretionary, so the community can use it for its own priorities.

Conservation Lease Programme, Kitengela, Kenya

South of Nairobi, the Nairobi National Park used to be surrounded by communally owned, pastoral land that wildlife roamed during the wet season. Today the park is in danger of becoming an ecologically unsustainable island – a large zoo – by subdivision of surrounding terrain into private plots, farming and fencing, industrialization, urbanization, mining, and land speculation.

Recognizing that both the ecosystem and the age-old livelihood of pastoralism were in danger, a broad partnership of government, NGO and private organizations developed the Wildlife Conservation Lease Programme. The Lease Programme essentially rents land from local Maasai households for conservation – paying \$4 an acre in return for a commitment not to fence, farm, or sell the land.

Starting in 2000 with about 100 acres, the Conservation Lease Programme today safeguards over 11,500 acres, contributing to the livelihoods of over 100 families.

The programme earns households needed cash while enabling them to retain their livestock.

The lease payments also protect participants from crises. During the drought of 1999-2000, the Kitengela community lost more than half their collective livestock. During this period, income from the lease programme amounted to nearly 80 percent of household income for participants – a critical support.

Payments are presented in public ceremonies timed to coincide with school fees, and usually directly to women. The lease programme is funded and run by a broad consortium of organizations led by The Wildlife Foundation and including the Kenya Wildlife Service, Global Environmental Fund, and African Wildlife Foundation, and Friends of Nairobi National Park. It aims to protect 60,000 acres, enough to allow the seasonal migration of wildlife to and from the national park.

anything from riding camels to herding with pastoralists, learning traditional dances, practicing Maasai beadwork, staying in a traditional home or even volunteering in schools or construction projects.

CBVs do not have to be directly concerned with tourism. Crafts, honey, agroforestry, butterfly farming, more efficient livestock raising, “bioprospecting” – selling the right to explore for medicinal plants to a

pharmaceutical or cosmetics company ... just about any enterprise that depends on healthy natural resources, encourages good stewardship of natural resources, and benefits the community is a candidate.

Most communities are likely to have numerous opportunities for CBVs. It helps if community members are flexible enough to think beyond the tried and true – and get some help to make a business happen.

Steps for success



Cattle fattening in a feedlot

STEP 1: GET THE SUPPORT YOU NEED

It takes experience and many skills to select, create, manage, and market a business successfully. Therefore communities usually partner with a facilitator, or "broker," who can help them through the process.

The broker could be a non-governmental organization (NGO), local authority, private consultant, or even business – as long as they have a deep interest in both livelihoods and conservation, plus some experience with CBVs. The broker will also draw in a variety of other experts. Together they provide information and awareness-raising on conservation, the pro's and con's of various business, and the process of establishing one.

The broker and other experts also help the community:

- survey the land and conduct participatory land-use planning;
 - name resources from which the community could build a profitable business;
 - figure out types of businesses that would most help the community benefit for the long term;
 - understand and comply with legal requirements, including getting titles and permits, preparing environmental impact statements, and negotiating contracts;
 - prepare land-use plans, benefit-sharing plans, business plans, environmental impact statements, management and monitoring plans;
- provide business and tourism training, as well as training for game scouts;
 - manage conflicts;
 - find and negotiate with a business partner, or "investor," if appropriate. The business partner would be primarily responsible for developing and managing the business – paying the community for use of land and other resources; and
 - monitor all plans and agreements to make sure they are being followed.

ORGANIZATIONS THAT FACILITATE CBV DEVELOPMENT IN EAST AFRICA

The Kenya Wildlife Service Outreach Programme plays an active role in such ventures in Kenya, as does the Tanzania National Parks Authority (TANAPA) in Tanzania. NGOs with experience in nature-based businesses in East Africa include:

- African Conservation Centre, www.conservationafrica.org
- African Wildlife Foundation, www.awf.org
- Frankfurt Zoological Society, www.zgf.de. German aid, GTZ, www.gtz.de/en
- Wildlife Conservation Society, www.wcs.org, and
- World Wildlife Foundation, www.worldwildlife.org

STEP 2: UNDERSTAND WHAT YOU'RE GETTING INTO

Everyone in the community needs to know what to expect from a business based on the community's natural or cultural assets. The broker will help with awareness-raising. But ultimately it is the community who will be part of the business venture, receiving benefits but also making sacrifices. So everyone needs to be informed and aware of possible benefits, risks, and trade-offs.

Here are some things you can expect and would do well to discuss at community meetings:

The process may be long and complicated

You may need to complete a lengthy list of legal requirements. You may need to register your land, perform participatory land-use planning (see Module Two), create a Wildlife Management Area (see Module Four), and resolve recent or long-standing conflicts (see Module Five). You will likely also need to find and negotiate with a partner (this Module).

Undoubtedly these and other tasks will require many community meetings, plus meetings with local officials, the broker, environmental and business experts, potential business partners, and others.

Tourism is risky

Even if you develop the most beautiful eco-lodge in the world, with the best wildlife-viewing opportunities, visitor numbers can still drop suddenly. Things happening thousands of miles away affect how many people travel: a war, a terrorism attack or fear of one, economic problems The overall trend for tourism is up – over four percent a year in Tanzania – but particular years can yield frustrating results. Are you prepared to deal with large fluctuations in income?

Your community will gain important benefits, and some people will get jobs ... but no one will get rich

Shaping realistic expectations from the beginning can avoid disappointment and conflict later.

It's easy to have expectations that are too high. The proceeds from, say, a thriving tourist lodge, can be substantial – but even so, it will not make individual families rich.

Let's say a tourist lodge earns enough to share US\$ 30,000 with the community. That may be split among six villages, so each gets \$5,000.

If that \$5,000 were split among 1,000 households, each would receive \$5.



Rock climbing tours

BOX 2. KEEPING BEES, SAVING FOREST

"Bees are now livestock like goats and cows," says a member of the Sangaiwe beekeeping group.

The Sangaiwe group is one of a number organized and trained by the Tanzanian Wildlife Research Institute (TAWIRI). Collecting and marketing honey, wax, and other bee products are one way for communities to benefit from keeping the environment healthy and forests intact: The village had created both a forest reserve and a bee reserve. In turn, bees pollinate not only wild plants but also crops.

The group started in 2008 and is expecting its first crop in 2009. Judging by similar groups' experience, individual members may make approximately US\$ 2.00-2.50 per litre.

Challenges remain for the TAWIRI-trained groups, especially marketing, since they often sell to middlemen who take most of the profit.

In Kenya, Honey Care Africa has helped over 9,000 rural residents throughout the country create additional income, providing equipment, training, links to loans, and a guaranteed fair price to its beekeepers.

BOX 3. BEADWORK IN ESELALEI: FRUITFUL COLLABORATION WITH AN NGO

"We'd sell milk if there was milk or grind tobacco for snuff to sell for school fees. But we were very poor," says Noormegiroo Ngayai, chairperson of the Naisha Women's Group of Etselalei.

"Then we started to stand by the roadside, waiting for tourists to come and pay to take pictures of us. The village leaders started asking us, 'Why are your children standing on the road instead of going to school?'"

"The elders helped us form a group, and an MP came to see us and gave us TZS 100,000 to buy goats."

That was in 1999. By the time they linked up with AWF in 2001, the 20+ women of the Naisha Women's Group had tried just about everything they could think of to live up their name, which means "fruitful" in English. The goats helped, but not enough. The group tried selling beadwork, but their setup was so chaotic that tour guides avoided them.

AWF looked at the potential for crafts selling and found trainers to teach the group about design, style, and quality control as well as basic English and business skills.

In 2003, at the women's request, AWF built a roadside crafts centre with space for organized displays. Each piece hanging on the banda's wall sports a label with its maker's name. Photos show how traditional pieces are used in their cultural context, whether as a herder's belt, woman's necklace, or symbol of authority. With its large windows, wrought-iron decorations and latrines for customers, the

centre makes an appealing place to shop.

After the banda was built, monthly income for the group shot up about 1,000 percent on average, although seasonal variation is high. This includes sales as well as a visitor fee of \$20 a vehicle.

"We used to have to beg our husbands and elders to get money for our children. We don't have to beg any more," says Ngayai.

Some of the visitors are connected to enterprises that can market the items in other countries. Last year, the group received an order for 12,000 bracelets from the Earth Birthday Project in southwestern USA. This year Naisha was nominated to participate in the Women's Entrepreneur Fair in Barcelona at the world conference of the IUCN. One representative sold \$1250 worth of products in a week.

In addition to meeting family needs, the group can now contribute to community building and water projects.

But success is not static. Because of their achievements, many other groups now copy Naisha products and display methods. Competition has recently grown fierce, and the women worry about falling sales.

Sooner or later, every successful entrepreneur faces such a situation. What ideas can you think of to help the group come up with fresh products and stay ahead of their competitors?

You can't do a lot with \$5. But \$5,000 is another story. That sum could make a substantial contribution to community welfare. It could re-roof a school, build classrooms, stock a clinic, and contribute to bursaries for school or college. It could even help the community invest in specially bred livestock or intensive agroforestry – depending on their land-use plan.

Therefore most communities opt to use the income on projects that benefit everyone.

Yet there may be other opportunities for increasing household income

Depending on your resources, groups may be able to develop other sources of income that go straight to members. For instance:

- **Bee-keeping.** Several organizations help community groups produce honey and related products.

Or if a tourism business is developed, this business could help market the honey, wax and other bee products (see Box 2).



Community beekeeping venture



Traditional Maasai performance – a potential venture

- **Crafts.** Many women's groups have raised household income by marketing beadwork, baskets, pots, or other handicrafts. The broker and/or business partner could help women improve their designs and marketing, so participants earn more for their efforts. They might sell the products directly, or link producers with other prospective customers – say shops or hotels in the capital (Box 3).
- **Improved cattle sales.** Pilot projects are now underway to help community members earn more from sales of cattle, by using improved breeds and fattening cows in feedlots.

There are many more possibilities, depending on local skills and natural resources (see Box 4).

What will you do with the money? Developing a benefit-sharing plan

What will you do with the earnings from the nature-based business? Few communities have made enough money to pay households individually from the business. However, substantial sums – \$40,000 or more is not unusual – go to community conservation businesses in Kenya and Tanzania.

Even when divided among a number of villages, this likely comes to many times more than the previous community budgets. So the community will need to agree on a benefit-sharing plan, including the following:

BOX 4. CONSIDER INVESTING IN FOOD PRODUCTION OR OTHER ECONOMIC ACTIVITIES

In addition to community projects for social welfare, consider community investments in other economic enterprises, particularly food production. Many agropastoral areas have little rain. And their fragile soils can be exhausted in as little as a year or two of conventional cultivation.

But there are new farming systems, particularly “agro-forestry,” that grow a lot in a little space, while enriching the soil and retaining moisture at the same time. Agro-forestry can produce staple crops, nuts, fruit, fodder, fuel-wood, building materials and medicine in the same area, since the plants are arranged vertically – root vegetables to cabbages and maize to shrubs to branches to tree-tops. Careful choice of “fertilizer trees” even enriches the soil, while roots help retain moisture for the crops.

A carefully planned agro-forest can be compact enough to be fenced. Through land-use planning exercises, you should already know where not to plant (i.e. not in the middle of an elephant corridor).

Contact www.worldagroforestry.org for more information. For information on increasing water supplies for farming and other uses, contact the Southern and Eastern Africa Rainwater Harvesting Network, <http://www.searnet.org>

- Who will manage the income?
- How will transparency be guaranteed?
- How will it be distributed?
- Do you have a list of community priorities to which payments will go? (e.g. schools, clinics, scholarships for university, water sources, veterinary health ...?)
- How will you monitor the income to ensure that it goes where you decided?

STEP 3: MARK YOUR BOUNDARIES

It's important to hire professional surveyors so the exact borders of ranches, villages, conservation areas, year-round grazing, dry-season grazing, and settlement areas, etc. are clear to all. Mark boundaries with beacons – large containers filled with concrete – or other objects that are hard to move. See Module 2 for more information on land-use planning and land registration.

CAUTIONARY TALE: SURVEY BEFORE OR REGRET AFTER

In one village in southern Kenya, a team of community members and experts did participatory land-use planning, mapped the village and concession area, agreed on zones for farming, grazing, settlements, and water points. The boundaries seemed to be common knowledge, so a licensed surveyor was not hired.

After a huge amount of work by all parties, an investor signed a contract with the village. In return for land and photographic safari rights, the investor built a beautiful tourist lodge and agreed to pay an annual lease fee, fees for every tourist who stayed there ("bednight" fee) plus other charges.

All went well until one day someone from a neighbouring community arrived. "Your lodge is on our land," he announced. THEN the surveyors were called in. It turned out that although everyone "knew" the boundaries, everyone was wrong. Suddenly there was a third party with whom to negotiate and who claimed a share of the proceeds.

STEP 4: EXPLORE YOUR RESOURCES. THINK BROADLY AND CREATE A "DREAM LIST" OF BUSINESS POSSIBILITIES**WORDS OF WISDOM**

"The most important thing for the community is to know what resources you have. These resources will guide what kind of enterprise you develop. Your neighbours may have a lodge – but maybe your area is too small. But then it may have special plants or birds. Or flowering plants that attract bees. Landscape is a resource too: maybe it's dramatic, with mountain or lake views. Proximity too can be of value: are you close to transport? Are you located near a national park, or on a circuit that tourists already make?"

*Thadeus Binamungu,
Senior Project Officer, AWF-TZ*

WHAT HAVE YOU GOT? BACKGROUND FOR A "SCOPING EXERCISE"

Natural resources: What kind of natural assets does your community contain? Large wildlife? Endangered or rare wildlife? Medicinal plants? Flowering plants that attract bees? Rivers or lakes, wetlands? A large variety of birds? Dramatic landscape? Striking vegetation, such as baobabs or fever trees?

Human resources: Do you have people who excel at traditional crafts (beading, pottery, mats and baskets)? What about trackers, hunters? People who are trained in business, accounting, catering, hospitality? People who love to sing and dance? Or tell stories? Or are passionate about trees?

Nature-based ventures include far more than camps and lodges! An area can only handle so many lodges in any case – from both an environmental and economic point of view.

Encourage your community to think and dream more broadly.

At this "dream stage", community members form a team with experts from a variety of fields including: tourism, forestry and non-timber forest projects, agriculture, livestock, business, marketing, and government. The team drives and walks around the terrain to create a long list of business opportunities based on what they see. They also inventory skills among community members for further ideas.

Here are some resources and related business ideas you might list at this stage (Table 1).

Human resources

You can also do an inventory of local skills. Perhaps some residents are knowledgeable or passionate about certain activities (Table 2).

The team might come up with an initial list of, say, five enterprise options for tourism, plus beekeeping and a mushroom venture. Tourism efforts might include: a lodge that might sell crafts in its shop; a mobile campground, a chance to go herding with an elder; walking safaris in the buffer zone of the conservation area; and a banda for performances of traditional dance and folktales.

TABLE 1. COMMUNITY RESOURCES AND BUSINESSES THAT COULD BE BUILT ON THEM

Resources	Potential Business Options
GEOGRAPHY	
Hill or mountain; river or lake	Setting for a tourist lodge
Water bodies	Kayaking, canoeing, tubing, other water sports
A spring or streams with clear water	Bottling of spring water
Hot springs	Health spa
Cliffs, craggy mountains	Rock climbing
Shady places with alluvial soils	Site for mushroom farming
Well watered land	Compact agroforestry for local consumption as well as to market fruits and vegetables to area restaurants (see Box 4 on agroforestry)
PLANTS	
Medicinal plants	"Plant walks" for visitors "Bio-prospecting": selling medicinal plants to a pharmaceutical company in return for a royalty
Forest	Non-timber forest products
LIVESTOCK	
Improving production	Improved breeds, perhaps feedlots and abattoir
For tourism	Take visitors herding
HISTORICAL AND CULTURAL RESOURCES	
Rock art	Tourism; trekking
Historic, legendary sites	Tourism
Residential or cultural boma	Performing arts; involve visitors in dance, music
Handcrafts and visual arts	Designing and selling beadwork and other crafts; offer classes to visitors in beadwork

TABLE 2. INVENTORY OF SKILLS

Knowledge or interest	Job possibility in CBV
Business	<ul style="list-style-type: none"> - Accounting - Hospitality - Cooking, catering
Skill with animals and plants	<ul style="list-style-type: none"> - Herding - Tracking animals or hunting - Preparing and using medicinal plants - Gardening, raising specialty products like herbs
Handcrafts and visual arts	<ul style="list-style-type: none"> - Beading - Leatherwork - Pottery, basketry or other crafts - Painting - Woodwork, furniture making
Performing arts	<ul style="list-style-type: none"> - Dancing, singing - Story-telling - Drama for tourism or educational enterprise

STEP 5: EVALUATE YOUR OPTIONS

This stage is known as "due diligence." Due diligence means analyzing prospects more closely to figure out how well they might actually work, plus their likely effect on the community and environment. Both potential benefits and potential pitfalls should be considered.

CAUTIONARY TALE: DUE DILIGENCE ON A PROSPECTIVE PARTNER

In northern Tanzania, an investor requested 100 acres on which to build a tented camp. At first he honoured his commitment to pay the community \$10 a bednight. But soon the fees stopped coming.

It seems this investor had applied for a major loan and used the lodge as collateral. He kept the cash while the bank took possession of the lodge. The bank then sold the camp to another investor, without consulting the community.

This situation just might have been avoided with enough due diligence on the investor: his assets, financial history, and experience in other communities.

Fortunately, the story has a happy ending. Although he claimed it was a surprise, the new investor agreed to the bednight fee. In addition, he actively marketed the site and is earning far more money for both the company and the community than before. Income to the community has funded schools, health centres, a vehicle, and bursaries.

Evaluation focuses on information such as:

- How many livelihoods might a given project improve?
- How might this project affect women, men and children?
- How might it affect wildlife and habitat?
- Water and soils?
- What kinds of technical resources would it require?
- What kind of infrastructure would need to be built, and who would build it?
- Is it likely to require, and attract, a third party for management and investment – private sector, donor, or both?
- What experiences have other communities had with this type of venture? See Box 5.

By the end of this phase, you may want to have 5–7 options, all of which would be good for the community and, considering your location, requirements, competition, etc., all of which are feasible.

STEP 6: PREPARE INITIAL BUSINESS PLANS

A business plan goes into more depth about what a given business will require, its strengths and weaknesses compared to its competition, and what returns are expected. It will also feature a "SWOT" analysis, making explicit a given business:

- **Strengths:** special assets and advantages compared to competitors. For instance, it may have more wildlife than any other area near a particular road.

BOX 5. WHAT ABOUT HUNTING?

In some countries, communities benefit greatly from legal tourist hunting safaris, and in return control poaching and enable wildlife to make a dramatic comeback. In Namibia, for instance, communities keep 100 percent of income from wildlife, including hunting. Over the last decade, 50 communities have formed conservancies, which now earn collectively about US\$ 2.5 million (TZS 3 billion) a year. Some conservancies earn over US\$ 100,000 (TZS 120 million) a year. Even populations of previously endangered animals like rhino are surging on community land.

In Tanzania, however, hunting concessions continue to be leased by the central government, and communities reap a fraction of the earnings. Wildlife Management Areas were created in the last few years in the expectation that communities could control hunting on their own land, but policies are still in flux (see Module 4). And wildlife is still declining in most areas.

Kenya, which prohibits hunting, is also seeing sharp wildlife declines except in areas where communities have developed successful CBVs.

Hunters spend far more per person than those on photographic safaris, because of licenses, trophy fees, etc. But many more people can go on photographic safaris in any one area. In addition, photo safaris tend to use more infrastructure: camps, lodges, roads, so may be able to generate more jobs and income through other services. (TNR 2008)

- **Weaknesses:** e.g. it might not have a steady source of water
- **Opportunities:** e.g. it's close to an established tourist circuit; a resident already owns camels. If the enterprise adds a camel walk, that might induce visitors to stay an extra bednight ...
- **Threats:** In Tanzania, for instance, it might be in an active hunting block, which could conflict with a photographic safari venture.

The business plan also reviews things such as competition, legal and tax environment, investment needed, infrastructure needed, management and monitoring challenges, marketing possibilities, staff needed from the community and from outside, time needed to launch, income targets over a year and five years

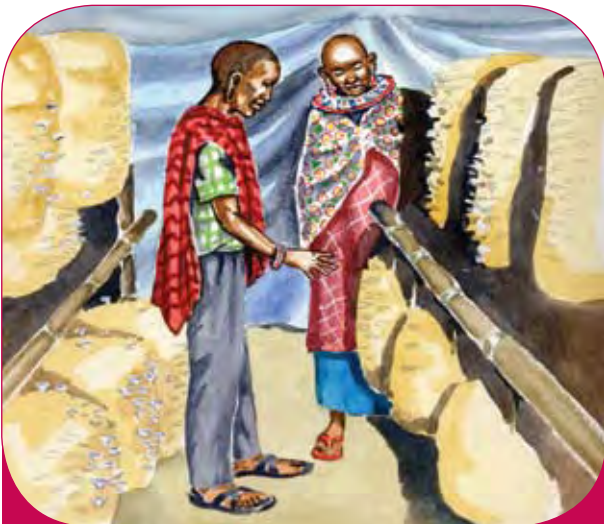
STEP 7: ATTRACT POTENTIAL BUSINESS PARTNERS

If a business would require a lot of investment and/or special skills, a partnership might work out best. Again, your facilitator will help find an appropriate business partner, or "investor."

They should make sure that the investor has what it takes to make the business work: the experience, funding, ideas, commitment to the community, and concern for the environment.

Ways to find a business partner

a) A business "prospectus" can help start the process. An attractive and informative publication – probably produced with the help of a partner – the business prospectus answers basic questions that any investor would ask:



Community mushroom growing enterprise

- Why should an investor consider this business as opposed to another opportunity s/he might find?
 - What are your special assets and resources – from infrastructure to wildlife to cultural attributes – that would help make a business profitable?
- The prospectus would be given to potential investors you may already know. It can also be widely distributed through email or other channels to lists of businesses.

b) **Contact known investors.** Approaching business people who have already invested in similar ventures is an obvious route to finding a compatible partner.

Beware of expectations: "If a partner has also been a donor in the community – perhaps built a clinic – community members might have expectations of more charity from them. These expectations can be dangerous ... can lead people to think they're in line for handouts. But to be sustainable, the business needs to be built on clear business principles, not charity."

*Ben Mwangela
Manager, Enterprise Services
AWF, Kenya*

c) **And/ or: Hold an "investor forum" and tour.** At an investor forum, representatives of experienced businesses meet with the NGO and community members. You present the business opportunity and take questions from those interested. The investor forum would likely be followed by a tour of the property, individually or in a group.

d) **And/ or: Advertise a "tender."** Through a personal invitation or even a newspaper advertisement, companies are invited to "bid" – send proposals – on the business opportunity. Each interested company writes a proposal, detailing how they would build a community-friendly, environment-friendly business.

You might ask for bids to include:

- How much the company would be willing to pay for leasing, bed-nights, community trust fund, conservation and other fees
- Commitments to local employment and training
- Infrastructure they are willing to build, and who would own it
- Types and scale of marketing efforts promised to ensure good returns
- The length of lease desired

- Measures to ensure care of the environment, such as solar energy, recycling plans, water conservation ...
- Other ventures with the community: E.g. would they be willing to market local honey or crafts, or link artisans with other markets? Would they be willing to buy them for their own enterprise, for instance buy mats or thatch for a lodge.

STEP 8: CHOOSE A PARTNER

Ideally, your efforts will have turned up several good possibilities. Now a team from the community, the facilitator, the government, and other stakeholders reviews and compares the bids and agrees on the winner.

STEP 9: NEGOTIATE A DEAL

You have a proposal. But negotiation will nail down the details of: Who gives what? Who gets what? Who does what? See Box 6.

Here are some items commonly negotiated. Some fees may be set by government regulation, but even

those are open to negotiation above a specified minimum.

- **Ownership of venture:** Will the community co-own the business? Or will it have an option to do at a specified date in the future?
- **Ownership of structures:** It's better if the community owns all "immoveable" assets when the agreement is finished. For instance, the community would own a lodge or boating dock, while the company may wish to own "moveable" assets: furniture, kitchen equipment, decorations, etc., which they can remove at the end of the contract.
- **Conservation management:** Is the community willing to honour its management zones, particularly those for settlement; grazing; grazing during drought; wildlife only? Would you accept enforcement of the zones, through game scouts or other authorities?
- **Exclusive Use:** Is the community granting "exclusive use" of its conservation area to the investor? This is usually a good idea. It also typically results in higher payments.

BOX 6. WHAT'S A "GOOD" DEAL?

You might hear, "Company X is giving the community \$50 a bednight and we're only getting \$10!" Or, "Company Y is contributing to the Community Trust Fund but ours is only giving conservation fees!"

Just as every site and community is different, each deal is different. Any particular contract will depend on the legal framework, the specific resources, skills, attitudes and needs of the negotiating partners and the trade-off's they are willing to make.

In one place, a lodge might already have been built, so lease-rates may be higher; in another place, the investor must add buildings, so lease or other rates might for the moment be lower In one community, jobs and water sources might be a higher priority than viewing fees; in another, the investor contributes to a trust fund, so contributes less to bed-nights, and so on

The only thing that's sure is this: Community and investor must find a "win-win" solution. Each partner needs to feel that they may not be getting the "perfect" deal, but a "good" one. Negotiation experts emphasize that if either side feels exploited, the agreement is likely to fall apart.

It's easy for expectations to become unrealistic. And it's likely that you will not get everything you want. But here are some questions to consider before you sign:

- Will the deal provide considerably more than you would be getting without it?
- Is the arrangement good enough to make a real and positive difference to your community?
- Does the agreement make it worthwhile for the community to adhere to zoning agreements, i.e. limit when or where grazing or agriculture is done?
- Is it enough to fund significant, long desired infrastructure or services for the community?
- Does the other side seem happy? This is important for them to remain committed!

Perhaps it's not the best deal you wished for, but it may well be good enough. Then stick with it!

- **Payments to community:** In return for access to agreed-on areas of community land, investors commonly pay:
 - Annual lease fee
 - Bed-night fee (payment per visitor per night)
 - Conservation fee
 - Community trust-fund fee
 - Performance fees, if community wishes to include performing arts or other cultural offerings.

Again, there could be more or fewer – the mix and amounts are all negotiable.

- **Employment:**
 - **Numbers:** If local employment is important to your community, negotiate that a percentage (at least 60 percent) of staff come from among local residents. They can be construction workers, guides, guards, waiting staff, entertainers... A training package and skills upgrading programme might be needed as well.
 - **Recruitment:** How will community members be recruited? Community involvement may help make sure local candidates are considered and offers made fairly.
 - **Wages:** How much would the company offer? Is this in line with other local, paid employment? Is it better than returns community members might expect from raising livestock or other traditional activities?
- **Environmental management:** "Eco-tourism" implies conducting business in a way that sustains the entire living community – the "ecology" of the land and people. For the good of your community and the world at large, you can request that the company employ current best practices in eco-tourism and clarify their plans for their Environmental Management System (EMS). See Box 7 for ideas.
- **Duration of partnership:** If the partner is investing substantial funds, they might ask for a longer period (10–20 years with the option to renew) to make back investment and add profit.
- **Escape clause:** But what if the business is not doing well? Particularly if the company has little experience in tourism, consider an "escape clause" to let the community terminate the contract in case business drops below a certain point for a certain period of time. Understand, though, that visitor volume can plunge temporarily because of national or international events beyond the control of any company.

BOX 7. HOW "ECO" IS YOUR TOURISM?

"Eco-tourism" is more than a buzzword. It's state-of-the-art, responsible tourism.

Governments generally require any CBV to prepare an "Environmental Impact Assessment" to help avoid unintended environmental damage. But eco-businesses go beyond minimum requirements and can charge premium prices, since environmental responsibility is valued by many customers.

To claim eco-tourism status, a business should be environmentally friendly behind the scenes as well in ways that show. For an "eco-lodge," for instance, that means responsibly handling:

Energy: Many sustainable tourism enterprises are using "renewable" energy: energy sources that cannot be used up. Increasingly, operators are erecting solar panels for electricity; tanks for solar water heating; wind turbines for electricity. Instead of firewood or charcoal for cooking, some ventures use fuel briquettes made from waste. Around Maasai Mara, at least one NGO (the *Millennium Fuel Project*) is helping women's groups make briquettes for home use and for sale to safari camps.

Waste management: Some lodges compost "green waste," mostly food waste, and use it to enrich their own vegetable gardens. Non-degradable waste (tin, glass, paper, batteries) can be trucked to appropriate locations to be recycled by manufacturers. "Constructed wetlands" treat sewage and other liquid waste in a series of interlocking ponds. Special types of plants remove toxins and bacteria from the water, purifying it for reuse.

Water conservation: Scarce water sources are a growing source of human-wildlife conflict. Lodge operators can conserve water by asking guests to reuse towels and use less water. They can install "low-flow" showers and toilets. They can capture rainwater. They can help the community grow trees for fuel as well as to protect water catchments.

For more ideas, see www.ecotourismkenya.org.

- **Regular reviews:** You might plan for a review every quarter or so, to see what's going well and what's not, how the agreements are being kept, and how the community and business partner together might manage any problems.

EXAMPLE OF CBV: KOIJA STARBEDS, LAIKIPIA, KENYA

During the drought of 1997–2000, the Koiya Group Ranch in Laikipia, northern Kenya, lost 70 percent of their live-stock. Since drought appears on the rise, the pastoral community could clearly benefit from supplementary livelihood strategies. In addition, it is located in one of the most wildlife-rich ecosystems of the country outside protected areas and next to Loisaba Ranch, a successful upscale tourism operation.

In 2001, the owners of Loisaba, African Wildlife Foundation, and the community formed a partnership (the *Koiya Conservation Trust*, KCT) to open a luxurious but very simple lodge facility on community land. The Koiya Starbeds are essentially sophisticated treehouses in the wilderness, modelled after a similar facility that was working well at Loisaba.

What distinguishes the Koiya enterprise are its corporate structure and the fact that the physical facility and services provided are straightforward enough so that all staff come from the community.

The enterprise is owned and overseen by Koiya Conservation Trust – a partnership of AWF, Loisaba, through Oryx Limited, and the community. KCT is governed by a board of trustees, two of whom come from Koiya Group Ranch, two from Loisaba, and one from AWF.

Thanks in large part to the established business at Loisaba, the Koiya Starbeds made a profit from year one. By 2007, the community had received over US\$ 77,000, most of which went to community development projects, including school bursaries in the “Conservation for Education” project. Allocations are determined by group ranch members at the annual general meeting.

In addition, 25 community members are employed, while some 30 young people and 45 women earn a living from performances and handcrafts at the cultural village, a spin-off enterprise.

Land appears to be regenerating with wildlife increasing. Thanks to the benefits, community interviews show that attitudes toward wildlife have also become more positive. KCT expects the business to keep growing and making a deeper impact on livelihoods.

As you negotiate:

- Which of these improvements is your partner planning or willing to implement?
- Which might they be willing to help the community implement?
- Encourage your partner to consider becoming certified by a recognized eco-tourism society (see Box 7).

STEP 10: FORMALIZE THE AGREEMENT

- Make sure that everyone understands what the agreement means: what you get, but also what you commit to doing or not doing.
- Make sure that everything you have agreed to is in writing.
- NEVER start building until everything is understood, agreed to, and signed.
- Make sure that the agreement allows for regular reviews of how the business is going from each side's point of view, and possible modification if necessary.

STEP 11: MONITORING, REVIEWING AND AMENDING

The reviews mentioned above might be scheduled quarterly or even more often at the beginning. Taking place at general meetings, they will update all parties on such questions as:

- **Agreements:**
 - How well are all agreements being kept?
 - If there are trouble-spots, how will the parties resolve them?
 - What progress has there been on managing any conflicts noted in the previous review?
- **Business targets:**
 - Are construction and other targets, such as numbers of visitors, on schedule?
 - If not, why not? And what can be done so that things go more according to plan?
- **Community income:**
 - How much funding has the community received, compared to what it expected?
 - What is the community doing with it?
 - Does that match with agreements and plans?
 - If infrastructure is being built, is it on target? If not, what can be done?

- **Effects on the community:**

What changes have been experienced or observed in livelihoods, whether positive or negative?

What changes, if any, have been observed in gender relations due to changes in the community economy or workload?

- **Effects on the environment and wildlife:**

What effects or changes have been observed on pasture, soils, water sources, or wildlife that could be related to the CBV or to visitors?

If positive, how are they likely to affect the community and the CBV?

If negative, how might they be countered?

Key points to remember

1 Rural communities often have more business opportunities than they might think, and more resources, both human and natural. For instance, dramatic landscape or even a rock face may be valuable in the tourism market. Beekeeping earns thousands an income in East Africa alone. It may help to partner with an NGO or other organization to help develop a nature-based business.

2 When communities partner with an investor, community incomes vary widely, depending partly on the type of business and partly on the negotiating skills of the community and its facilitators. It's vital that all transactions be transparent and the entire community understands and commits to the business and the terms of the contract.

3 It's important to consider how to share benefits and keep the accounts transparent before the income starts flowing. Unless income is considerable, it may make more sense to invest it in education and health facilities and other community projects, rather than divide it up per household. But individuals might also find a market for their craft or honey or other products through a larger CBV.

4 New forms of benefits are emerging for those who live with wildlife. These include payments to a village to help support their traditional land management system; and, where land is already subdivided, payments to households. It is vital that the income support what individuals already wish to do, such as continue pastoralism or other sustainable uses of the land.

Key points to remember

Wildlife can work for you: creating a conservation-based venture (CBV)

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